S. Hrg. 103–889, Vol. XII

TREASURY DEPARTMENT DOCUMENT PRODUCTION

HEARING

BEFORE THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

ONE HUNDRED THIRD CONGRESS

SECOND SESSION

VOLUME XII

TREASURY DEPARTMENT DOCUMENT PRODUCTION
IN RESPONSE TO S. RES. 229

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94-03-08-001 MAR 8 1994

EXECUTIVE SECRETARIAT CORRESPONDENCE PROFILE

PROFILE #: 94-131497 CREATE DATE: 03/08/94

ADDRESSEE:	Bentsen, Lloyd M. Secretary	AUTHOR:	Ley, Jane S. Office Of Gov Ethics

SUBJECT: CC Of Ltr To Independent Counsel Re WH/Treasury Meeting

ABSTRACT: CC of letter to Robert B. Fiske, Independent Counsel, requesting a meeting to discuss the meeting of White House and Treasury officials.

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94-131497

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

March 7, 1994

Robert B. Fiske, Jr.
Independent Counsel
Suite 490 N
1001 Pennsylvania Avenue, NW.
Washington, DC 20004

Dear Mr. Fiske:

This Office received a letter dated March 3, 1994, from Lloyd Bentsen, Secretary of the Treasury, asking for our views regarding certain actions that may have been taken by members of his staff. We earlier received a letter dated March 1, 1994, from Representative James Leach, Ranking Member of the Committee on Banking, Finance and Urban Affairs, requesting our review and advice as to whether a meeting between three White House officials and Roger Altman, Interim CEO of the Resolution Trust Corporation and Deputy Secretary of the Treasury, "violated any guidelines of government ethics, regulations, or law." Copies of both letters are enclosed for your information.

Because media reports have indicated your office has issued subpoenas to certain Treasury and White House officials, we would like to meet with you and/or representatives of your office before proceeding in any fashion with respect to these two requests. I am being assisted by Stuart Rick, Associate General Counsel, in this matter. We can both be reached at (202) 523-5377.

Sincerely,

Jane S. Ley

Jane S. Ley
Deputy General Counsel

Enclosures

cc: ✓The Honorable Lloyd Bentsen
Secretary of the Treasury

The Honorable James Leach
U.S. House of Representatives

U.S. Department of Justice

Office of the Independent Counsel

Little Rock, Arkansas

March 7, 1994

The Honorable Henry B. Gonzalez
Chairman
Committee on Banking, Finance
and Urban Affairs
United States House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515-6050

The Honorable James A. Leach
Ranking Minority Member of the
Committee on Banking, Finance
and Urban Affairs
United States House of Representatives
2129 Rayburn House Office Building
Washington, D.C. 20515-6050

Dear Congressmen Gonzalez and Leach:

I am writing this letter to express my strong concern about the impact of any hearings that your Committee might hold into the underlying events concerning Madison Guaranty Savings and Loan ("MGS&L"), Whitewater and Capital Management Services ("CMS") on the investigation that this Office is conducting into these matters.

As you know, I was appointed to the position of Independent Counsel pursuant to CFR 603.1 on January 31, 1994. Since that date we have obtained an Order from Chief Judge Stephen M. Reasoner in the Eastern District of Arkansas authorizing the empaneling of a grand jury which will be devoted exclusively to the Whitewater/MGS&L/CMS investigation. In the meantime, we have been using the regular grand jury for this District. We have a team of eight experienced attorneys, six of whom were current or former prosecutors when they joined the staff. We are working in Little Rock with a team of more than twenty FBI agents and financial analysts who are working full time on this matter. We are doing everything possible to conduct and conclude as expeditiously as possible a complete, thorough and impartial investigation.

Inquiry into the underlying events surrounding MGS&L, Whitewater and CMS by a Congressional Committee would pose a severe risk to the integrity of our investigation. Inevitably, any such inquiry would overlap substantially with the grand jury's activities. Among other concerns, the Committee certainly would seek to interview the same witnesses or subjects who are central to the criminal investigation. Such interviews could jeopardize our investigation in several respects, including the dangers of Congressional immunity, the premature disclosures of the contents of documents or of witnesses' testimony to other witnesses on the same subject (creating the risk of tailored testimony) and of premature public disclosure of matters at the core of the criminal investigation. This inherent conflict would be greatly magnified by the fact that the Committee would be covering essentially the same ground as the grand jury.

While we recognize the Committee's oversight responsibilities pursuant to Section 501 of PL 101-73 (FIREAA), we have similar concerns with a Congressional investigation into the recently-disclosed meetings between White House and Treasury Department officials -- particularly because we believe these hearings will inevitably lead to the disclosure of the contents of RTC referrals and other information relating to the underlying grand jury investigation.

For these reasons, we request that your Committee not conduct any hearings in the areas covered by the grand jury's ongoing investigation, both in order to avoid compromising that investigation and in order to further the public interest in preserving the fairness, thoroughness, and confidentiality of the grand jury process.

I will be glad to meet with you personally to explain our position further if you feel that would be helpful.

Respectfully yours,

Robert B. Fiske
ROBERT B. FISKE, JR.
Independent Counsel

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(202) 225-4247

March 7, 1994

Mr. Robert B. Fiske, Jr.
Office of the Independent Counsel
Two Financial Centre Suite 134
10825 Financial Centre Parkway
Little Rock, Arkansas 72211

Dear Mr. Fiske:

I received your letter, and want to assure you that I have no intention of taking any action that might interfere with, compromise or otherwise hinder your investigation into Madison Guaranty Savings and Loan (Madison) and related matters. I have from the beginning pointed out to Mr. Leach that with regard to Madison, "The issues that appear outstanding are matters of legal liability and are being pursued vigorously by the Justice Department and regulatory agencies." I have also noted that this case does not appear to present any legislative issues not previously addressed.

However, as you recognize, section 501 of Public Law 101-73 requires the Committee to conduct regular oversight hearings involving the Thrift Depositor Protection Board, and the law requires that the Board report on specified matters. The Committee intends to carry out its regular oversight hearing, which I have set for March 24. While I cannot prevent Members from propounding questions, it is within the province of the Chair to rule on the relevance of questions.

The Republican Members of the Committee are conducting their own review of the Madison matter. They have requested numerous documents, sought to interview witnesses and otherwise carry out an investigation. Since these actions may be inconsistent with your responsibilities, you may wish to advise all parties of your views on whether they should respond to such inquiries. I do not intend for the Committee to interfere in your investigation or any other Law enforcement activity in any manner, but do want to reiterate that the Republican Members do not necessarily share my concern. Accordingly, while you can expect that I will in no way interfere with your work, you should take steps to advise all parties of your concern about maintaining the integrity of your investigation.

Be assured of my cooperation, and my desire to see this matter thoroughly, promptly, and dispassionately investigated.

Sincerely,

Henry Gonzalez

Henry B. Gonzalez
Chairman

Lightfoot:

When did the Secretary know (or was made aware of) about the meetings?

What did the Secretary know about the meetings?

Was the Secretary consulted in advance of the meetings?

When was Dennis Foreman, as chief ethics counsel, made aware of the meetings?

HOYER - scripted with Levy & North:

Is it true that certain Treasury staff met with White House staff on Madison? Did not happen--was on Statute of Limitations.

Did the Secretary have any prior knowledge of the meetings?

What actions did the Secretary take when informed?

So at this point, OGE, a independent government agency, has taken up an investigation?

Do you have an estimation of when OGE will complete its investigation?

Before the meetings, did anyone at Treasury contact Treasury ethics counsel? Is there an opinion or memo in writing?

D R A F T -- March 7, 1994

5:00 P.M.

Q. The White House has stated that there was nothing wrong with Treasury officials meeting with White House officials on Madison Guaranty Savings and Loan. Why is it then that you have requested an investigation of these meetings? Doesn't this suggest that Treasury officials did something wrong?

A. I have full confidence in the professionalism and integrity of the Treasury officials involved in these meetings. I have simply asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues.

Given the partisan treatment these meetings have been given, and the suggestion by certain Congressional members that these meetings violated some rule or standard of ethical conduct, I think it is important that these meetings be examined from an ethical and conflicts perspective.

DRAFT -- March 7, 1994

Q. The White House said last Thursday that it didn't know in advance that you were asking OGE to investigate these meetings. Why?

A. My concern is with the actions taken by Treasury officials with respect to these meetings. That is why I asked OGE to review the meetings. I see no need to involve the White House in how Treasury handles questions concerning the conduct of Treasury officials.

DRAFT -- March 7, 1994

Q. Why didn't the White House ask OGE to investigate these meetings?

A. I have not discussed the OGE review with the White House, but I understand that the White House has indicated that it will fully cooperate with Special Counsel Fiske and the ethics review.

(Source: White House spokeswoman Dee Dee Myers quoted in the Wall Street Journal (3/4/94): "We'll cooperate fully with the special counsel and the [ethics office].")

D R A F T -- March 7, 1994

Q. Why the Office of Government Ethics? Why isn't Treasury conducting its own investigation?

A. OGE is an independent office charged with overseeing the standards of conduct applicable to Executive branch employees. I can't think of a better office to determine whether these meetings raise any ethics or conflicts issues.

DRAFT -- March 7, 1994

Q. How long will it take the Office of Government Ethics to provide you with its conclusions?

A. Treasury has asked that OGE's review be conducted expeditiously, but I can't commit them to a time frame. I understand that OGE has asked for a meeting with Special Counsel Fiske to discuss their work in this matter, but I do not know the status of their discussions with Mr. Fiske.

D R A F T -- March 7, 1994

Q. Didn't Congressman Wolf ask to have Treasury's Inspector General conduct an investigation?

A. Yes, he did, and Treasury's Acting Inspector General had decided to initiate an investigation. However, the Inspector General wanted to contact Special Counsel Fiske before beginning the investigation. He did that, and Mr. Fiske does not want him to investigate.

DRAFT -- March 7, 1994

Q. Isn't it true that the Office of Government Ethics does not conduct investigations; that it only provides assessments based on investigations conducted by other agencies?

A. Yes, that's right, and all I had asked OGE to do was to provide their assessment based on facts to be developed by OGE or elsewhere.

D R A F T -- March 7, 1994

Q. Why didn't you ask Treasury's Inspector General to investigate the meetings with White House staff?

A. Because the allegations that were made involved ethics and conflict of interest questions, and the Office of Government Ethics is the proper authority to resolve such issues.

D R A F T -- March 7, 1994

Q. Why didn't you refer this matter to the Independent Counsel?

A. The independent counsel makes his own decisions about what to investigate. The Special Counsel has now issued a subpoena to the Department, and Treasury will cooperate fully with the Special Counsel. Moreover, the independent counsel's investigation, I am told, is expected to take some time. My desire has been that this matter be looked at as quickly as possible, and I asked OGE to do so.

D R A F T -- March 7, 1994

Q. The Washington Post reported that the RTC has a policy on the confidentiality of investigations and criminal referrals that would make any release of such information improper. Don't these meetings violate that policy?

A. I would expect that would be an issue which OGE will examine.

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United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

March 2, 1994

The Honorable George J. Mitchell
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

We are writing to inform you that we will object to any agreement seeking consent to proceed to the nomination of Ricki R. Tigert, President Clinton's nominee to chair the Federal Deposit Insurance Corporation, until the Senate Banking Committee has an opportunity to thoroughly examine the Resolution Trust Corporation's handling of its civil investigation into Madison Guaranty Savings and Loan.

As you know, the Acting Chief Executive Officer of the RTC, Roger Altman, recently disclosed that he sought a meeting with White House officials to give them a "heads-up" on the RTC's investigation. Needless to say, such a meeting is highly improper and raises very real questions about Mr. Altman's impartiality and the alleged independence of the investigation. Specifically, why were Harold Ickes and Margaret Williams present, in addition to White House Counsel Bernard Nussbaum? According to the Washington Post, Mr. Ickes the Deputy Chief of Staff, is responsible for Whitewater "damage control". Ms. Williams, Chief of Staff for Mrs. Clinton, had previously participated with Mr Nussbaum in searching Vincent Foster's office and sending all or some of the materials to David Kendall of Williams and Connally who is representing the President and Mrs. Clinton.

We believe public hearings are required to explore these and other questions involving the attendance of political operatives at the White House in briefings by the head of a supposedly independent agency on matters that have nothing to do with the Executive Office of the President.

We regret having to delay the Senate's consideration of Ms. Tigert's nomination. Nevertheless, the American people deserve to have confidence that the RTC conducts its important business in an independent and impartial fashion. A Congressional hearing is an appropriate forum in which to examine the important ethical and regulatory issues raised by the Altman-White House meeting.

Sincerely,

OPENING STATEMENT OF SENATOR ALFONSE M. D'AMATO HEARING ON REGULATORY CONSOLIDATION

March 3, 1994

Mr. Chairman, we have worked together, and our staffs have worked together, in a bipartisan effort to restructure the current bank regulatory system. I enthusiastically joined with you in this effort because we share the goals of streamlining regulation of the banking system and assuring the independence of the bank regulators.

MR. CHAIRMAN, I KNOW YOU AGREE THAT

Independence is the bedrock principle that any consolidation proposal must be based upon. In this climate of conern about the integrity of our financial system, it is absolutely essential that the public have complete confidence in our independent bank regulatory system. My confidence and the trust of the American people in this independence was jolted last week by the revelations about White House interference with the RTC investigtion of Madison Guaranty. Today, we learn from the Washington Post that there have been at least two **previous undisclosed meetings between White House staff and Treasury and RTC**

officials. This time the meetings were about ~~involving~~ the criminal referrals that were made to the Justice Department by the RTC.

Mr. Chairman, in this climate of concern about independence, I was shocked to discover provisions buried in the Adminstration bill that would make the proposed Federal Banking Commission a puppet of the White House.

As I pointed out yesterday, under the Administration's proposal, the Justice Department would have complete control over the new banking agency's litigation authority. Section 304 of the bill, says: "litigation may be conducted only with the prior consent of the Attorney General of the United States and subject to the Attorney General's direction and control." How in the world can the Federal Banking Commission be the cop on the beat when ~~Janet Reno and~~ Hillary Clinton's friends at Justice, like Webster Hubbell, have all the guns?

In addition to requiring Justice Department approval over all litigation, the Administration's bill would also prevent the new bank regulator from even proposing a regulation, submitting testimony, or providing legislative recommendation without the prior approval of the White House Office of Management and Budget.

If the Administration's bill were the law today, the RTC could not sue to recover money from anyone who defrauded Madison Savings and Loan without Justice Department approval and the FDIC could not testify about Whitewater without the blessing of the White House. Its hard enough for the American people to learn the facts and be assured the agencies are applying the laws impartially under current law, But imagine if these agencies were directly under the political thumb of the White House.

How can we expect the American people to entrust Janet Reno to make decisions on bank litigation? Or, how can we tell them, that Webster Hubbell, himself under scrutiny by his old law firm, will make these decisions?

I believe in the need to consolidate bank regulatory agencies. But I believe more strongly in the principcle of independence. If the Administration does not agree with this principle, I seriously doubt any legislation will emerge from this Committee. If the Administration does agree, than I am encouraged by the

DEPARTMENT OF THE TREASURY
LEGISLATIVE AFFAIRS
15TH & PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20220

1789

DATE: 2-17-94 **PAGES TO FOLLOW:** 9

TO: Nester Davidson

FAX NUMBER: 456-2604

FROM: LEGISLATIVE AFFAIRS 622-1900 (office) 622-0534 (fax)

Michael Levy

COMMENTS

DEPARTMENT OF THE TREASURY
WASHINGTON

ASSISTANT SECRETARY

February 17, 1994

MEMORANDUM FOR PAT GRIFFIN
ASSISTANT TO THE PRESIDENT FOR LEGISLATIVE AFFAIRS

FROM: Michael B. Levy
Assistant Secretary (Legislative Affairs)

SUBJECT: Weekly Report

Redacted

Redacted

Thrift Depositor Protection Oversight Board Hearings

The Senate Banking Committee has scheduled the semi-annual hearing of the Thrift Depositor Protection Oversight Board for Thursday, February 24. We fully anticipate that the Committee Republicans will seize the opportunity to focus attention upon Madison Guaranty and Whitewater. We expect that Secretary Bentsen (in his capacity as Chairman of the Oversight Board) and Deputy Secretary Altman (in his capacity as Interim Chief Executive Officer of the Resolution Trust Corporation) will testify. House Banking has yet to schedule a date for its hearing at which both Secretary Bentsen and Deputy Secretary Altman will also testify.

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DEPARTMENT OF THE TREASURY
WASHINGTON

ASSISTANT SECRETARY

March 3, 1994

MEMORANDUM FOR PAT GRIFFIN
ASSISTANT TO THE PRESIDENT FOR LEGISLATIVE AFFAIRS

FROM: Michael B. Levy
Assistant Secretary (Legislative Affairs)

SUBJECT: Weekly Report

— Redacted —

Thrift Depositor Protection Oversight Board Hearings

The Thrift Depositor Protection Oversight Board and the Resolution Trust Corporation will present testimony to the House Banking Committee at its semi-annual hearing on Thursday, March 24. Secretary Bentsen (in his capacity as Chairman of the Oversight Board) and Deputy Secretary Altman (in his capacity as Interim CEO of the RTC) will appear before the Committee.

We fully anticipate that the Committee Republicans will seize the opportunity to focus further attention upon Madison Guaranty and Whitewater. Committee counsel and the House parliamentarian have already concluded the right of the minority under Committee rules to call a panel of witnesses of their own designation. Committee counsel continue to assess those Committee rules and the possibility of a separate day of hearings to accommodate minority concerns. If the Chairman and majority staff conclude that a separate day of hearings for the minority is deemed warranted under the rules, those additional hearings would occur on Friday, March 25.

[redacted]

Redacted

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Redacted

Redacted

DRAFT -- March 8, 1994, 8:20 a.m.

Q. Any Question about Madison Guaranty Savings and Loan Association.

(Or, at end of prepared opening statement.)

A. I am very conscious of the serious concerns raised about several meetings between present and former Treasury officials and White House staffers concerning matters that have some relationship with Madison Savings and Loan Association. I have the highest regard for the integrity of the hard-working public servants who attended the meetings. Nevertheless, I understand the concerns about ethics and appearances that have arisen.

Accordingly, I directed Treasury staff to work with the Office of Government Ethics to assemble all of the facts and circumstances about these meetings. In this way, OGE can advise me about any ethics or conflicts matters that may arise from these facts. This fact-finding effort is currently is far from complete.

As you know, last Friday, March 4, Treasury and several senior officials were served with subpoenas by Special Counsel Robert Fiske for any and all documents and other materials related to these meetings. The subpoenas directed that responsive documents be produced on March 10 and that several individuals testify before a grand jury on the same date. We are taking extraordinary steps at the Department to ensure full and prompt compliance with the subpoenas. [illegible]

I understand that Special Counsel Fiske yesterday asked the Acting Inspector General of the Treasury Department not to undertake an IG investigation of these meetings that was requested last week by Congressman Frank Wolf. I also understand that Special Counsel Fiske has sent letters to Senator Riegle, Chairman of the Senate Banking Committee, and Representative Gonzalez, Chairman of the House Banking Committee, requesting that congressional hearings not be held on these matters. Further, I understand that OGE has requested a meeting with Special Counsel attorneys to discuss the OGE review of these meetings.

Given all of these circumstances, it would serve no purpose for me to discuss these meetings in any detail today. This is not the time or place. ¶ I am anxious for the OGE report on the facts and circumstances to be provided to me as expeditiously as possible. Based upon this or any other authoritative

report, I will be happy to go on the record and discuss these meetings.

I believe that this is the most careful and thorough, and fairest way to deal with these issues. It ensures that Special Counsel Fiske and OGE have the unimpeded opportunity to collect and organize all the relevant information. Of course, Treasury will cooperate fully with OGE and Special Counsel Fiske.

I appreciate your support and understanding in this matter.

Restitution of
Oversight Bd
Elimination

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D R A F T – March 8, 1994

4:00 A.M.

Q. The White House has stated that there was nothing wrong with Treasury officials meeting with White House officials on Madison Guaranty Savings and Loan. Why is it then that you have requested an investigation of these meetings? Doesn't this suggest that Treasury officials did something wrong?

A. I have full confidence in the professionalism and integrity of the dedicated and hard-working public servants at Treasury who were involved in these meetings. I have simply asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues.

Given the treatment these meetings have been given, and the suggestion by certain Congressional members that these meetings violated some rule or standard of ethical conduct, I think it is important that these meetings be examined from an ethical and conflicts perspective.

D R A F T -- March 8, 1994

Q. The White House said last Thursday that it didn't know in advance that you were asking OGE to investigate these meetings. Why?

A. My concern is with the actions taken by Treasury officials with respect to these meetings. That is why I asked OGE to review the meetings. I see no need to involve the White House in how Treasury handles questions concerning the conduct of Treasury officials.

D R A F T -- March 8, 1994

Q. Why didn't the White House ask OGE to investigate these meetings?

A. I have not discussed the OGE review with the White House. It is my understanding that the White House has indicated that it will fully cooperate with Special Counsel Fiske and the ethics review. You'll have to refer any additional questions to the White House.

(Source: White House spokeswoman Dee Dee Myers quoted in the Wall Street Journal (3/4/94): "We'll cooperate fully with the special counsel and the [ethics office].")

D R A F T – March 8, 1994

Q. **Why the Office of Government Ethics? Why isn't Treasury conducting its own investigation?**

A. **OGE is an independent office charged with overseeing the standards of conduct applicable to Executive branch employees. I can't think of a better office to determine whether these meetings raise any ethics or conflicts issues.**

D R A F T -- March 8, 1994

Q. How long will it take the Office of Government Ethics to provide you with its conclusions?

A. Treasury has asked that OGE's review be conducted expeditiously, but I can't commit them to a time frame. I understand that OGE has asked for a meeting with Special Counsel Fiske's Office to discuss OGE's work in this matter, but I do not know the status of their discussions with Mr. Fiske.

D R A F T – March 8, 1994

Q. **Isn't it true that the Office of Government Ethics does not conduct investigations; that it only provides assessments based on investigations conducted by other agencies?**

A. **Yes, that's right, and all I have asked OGE to do was to provide their assessment based on facts to be assembled with the help of Treasury staff.**

DRAFT -- March 8, 1994

Q. Will you make OGE's report public?

A. Yes, as long as it's okay with the Special Counsel.

D R A F T -- March 8, 1994

Q. **So, at this point, OGE, an independent government agency, has taken up an investigation?**

A. **Yes, I have asked OGE to undertake this review, but I understand that OGE has asked to meet with Special Counsel Fiske to discuss whether he has any objection to OGE's review.**

D R A F T – March 8, 1994

Q. The Washington Post reported that the RTC has a policy on the confidentiality of investigations and criminal referrals that would make any release of such information improper. Don't these meetings violate that policy?

A. I would expect that would be an issue which OGE will examine.

DRAFT -- March 8, 1994

Q. Didn't Congressman Wolf ask Treasury's Inspector General to conduct an investigation?

A. Yes, he did, and Treasury's Acting Inspector General had decided to initiate an investigation. However, when the Inspector General learned that the Treasury Department had received a subpoena from the Special Counsel, he contacted Special Counsel Fiske before beginning the investigation. Mr. Fiske does not want him to investigate and the IG has agreed not to do so.

D R A F T -- March 8, 1994

Q. Why didn't you ask Treasury's Inspector General to investigate the meetings with White House staff?

A. Because the allegations that were made involved ethics and conflict of interest questions, and the Office of Government Ethics is the proper authority to resolve such issues.

D R A F T -- March 8, 1994

Q. Why didn't you refer this matter to the Special Counsel?

A. The Special Counsel makes his own decisions about what to investigate. The Special Counsel has now issued a subpoena to the Department, and Treasury will cooperate fully with the Special Counsel. The Special Counsel's investigation, I am told, is expected to take some time. My desire has been that this matter be looked at as quickly as possible, and I asked OGE to do so.

Q. What do you know about Madison Guaranty?

A. I know nothing about the details of Madison Guaranty. As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

[**Background:** The Conference Report accompanying **FIRREA** (Aug. 4, 1989), provides at page 410:

"The Oversight Board will review and have overall responsibility for the RTC's activities. The Oversight Board will not, however, be involved in or responsible for case specific matters involving individual institutions, specific asset dispositions or generally the day-to-day operations of the RTC."]

D R A F T – March 8, 1994

Q. When did you first learn about these meetings?

Hanson's suggested answer:

A. I now believe that Ms. Hanson and Mr. Altman consulted with me in advance of the White House meeting on February 2, 1994, that was mentioned by Mr. Altman in his February 24, 1994 testimony. I had not previously recollected that discussion.

D R A F T – March 8, 1994

Q. When did you first learn about these meetings?

Alternative answer 1:

A. I'm almost certain that I didn't learn about the fall meetings until the same time the media did. After continued reflection, I am not certain whether I was told about the February meeting before it occurred.

D R A F T -- March 8, 1994

Q. When did you first learn about these meetings?

Alternative answer 2:

A. I don't believe I knew about any of them until sometime within the last couple of weeks.

D R A F T -- March 8, 1994

Q. What was said in these meetings?

A. As I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

D R A F T -- March 8, 1994

Q. Is it true that certain Treasury staff members met with White House staff on Madison?

A. As you have, I have read the papers and I know that meetings took place. However, I was not involved in the meetings and I do not know what occurred in them. As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

[Background: The Conference Report accompanying FIRREA (Aug. 4, 1989), provides at page 410:

"The Oversight Board will review and have overall responsibility for the RTC's activities. The Oversight Board will not, however, be involved in or responsible for case specific matters involving individual institutions, specific asset dispositions or generally the day-to-day operations of the RTC."]

D R A F T – March 8, 1994

Q. Once you knew about the meetings, what did you find out about them?

A. I've seen a number of comments in the media. As I have mentioned, I am not going to conduct my own fact-finding about this, and I have directed Treasury staff to work with OGE in assembling the facts and circumstances about the meetings. And I have asked OGE to give me their views on ethics and conflicts issues the meetings might raise.

D R A F T -- March 8, 1994

Q. Would you have approved of the meetings if you had known of them in advance?

A. I am not going to deal in hypotheticals, but as President Clinton has said, in retrospect it would have been best for all concerned if these meetings had not taken place.

D R A F T – March 8, 1994

Q. What actions did you take when you learned that the meetings had occurred?

A. I instructed Treasury officials to have no further contact with the White House concerning Madison Guaranty and I asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues.

Redacted

94-03-07-006

Michael

MAR 7 1994

EXECUTIVE SECRETARIAT CORRESPONDENCE PROFILE

David Chappel

PROFILE #: 94-131425 CREATE DATE: 03/04/94

ADDRESSEE: Bentsen, Lloyd M.
Secretary

AUTHOR: Wolf, Frank R.
HR

SUBJECT: Request For Inspector General Investigation

ABSTRACT: Request for an Inspector General investigation of the meetings of Treasury officials and White House staff to provide "briefings" on Madison-Whitewater and other matters.

************************** TASK ASSIGNMENT MEMORANDUM **************************

ASSIGNED TO:
INSPECTOR GENERAL

DUE DATE: 03/11/94

ACTION REQUIRED: Direct Reply

TASK: Please note profile # on comeback copy.

DISTRIBUTION:
DEPUTY SECRETARY
CHIEF OF STAFF
EXEC SEC
GENERAL COUNSEL
~~LEGISLATIVE AFFAIRS~~

OTHER DISTRIBUTION: Ben Nye

94-131425

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Congress of the United States
House of Representatives
Washington, DC 20515–4610

COMMITTEE ON APPROPRIATIONS
Subcommittees:
Transportation
Treasury—Postal Service—General Government

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

March 4, 1994

The Honorable Lloyd Bentsen
Secretary
Department of Treasury
15th and Pennsylvania, N.W.
Washington, DC 20220

Dear Secretary Bentsen:

I wanted to bring this letter that I wrote to the Deputy Inspector General to your attention.

Sincerely,

Frank R. Wolf
Member of Congress

FRW:bjc

FRANK R. WOLF
10TH DISTRICT, VIRGINIA

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Congress of the United States
House of Representatives
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COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEES
TRANSPORTATION
TREASURY—POSTAL SERVICE—GENERAL GOVERNMENT
COMMISSION ON SECURITY AND COOPERATION IN EUROPE

March 4, 1994

Mr. Robert Casca
Deputy Inspector General
Department of the Treasury
15th and Pennsylvania, N.W.
Suite #2412
Washington, DC 20220

Dear Mr. Casca:

I am writing as a member of the Treasury, Postal, General Government appropriations subcommittee to request that the Office of Inspector General investigate the recent meetings of Treasury officials with the White House to provide "briefings" on Madison-Whitewater and other matters. The astonishing revelation that not only one, but three such improper meetings were held between Treasury officials and the White House calls out for serious investigation.

In the past I have found Inspector General investigations to be helpful in providing assistance in such matters. When the CIA move was proposed to West Virginia, the CIA Inspector General uncovered information that previously had not been forthcoming from any other sources. I hope your office will be able to provide the same kind of independent analysis.

While the Secretary of the Treasury has requested the Office of Government Ethics to investigate this matter, I believe the Inspector General would be more appropriate. Several months ago I requested an investigation by the Office of Government Ethics into the situation with White House passes and was told by their office that they do not have the capability to do investigations. Perhaps Secretary Bentsen was under the same misunderstanding that I was and thought that the Office of Government Ethics can do independent investigations. That is not the case. The Office of Government Ethics just reviews the investigations of other agencies.

If the Office of Government Ethics were to investigate this matter the initial investigation would be done by the White House ethics officer and they would subsequently review the matter. Since Mr. Nussbaum himself is the White House ethics officer and he was one of the individuals involved in the improper meetings he obviously cannot investigate himself. Having a subordinate of his investigate him would also be inappropriate.

In addition to these meetings, I believe any other meetings connected with banking matters or FDIC or RTC investigations

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involving White House officials or other politically connected individuals should also be investigated as part of this matter.

One aspect that is particularly troubling in this affair is that even after the Altman meeting with the President's White House Counsel Bernard Nussbaum, the First Lady's Chief of Staff Maggie Williams and Deputy White House Chief of Staff Harold Ickes came to light last week, the Treasury Department was not forthcoming about discussing the previous White House meetings that had been held with high level Treasury officials. In these meetings last fall, the White House was informed of "criminal referrals" that they would be mentioned in. If the press had not reported these earlier meetings one has to wonder if anyone at Treasury would have brought them to light or if these meetings would have continued to go on.

I believe the Inspector General is only one proper investigatory tool to look into this matter. Obviously, Congressional hearings would be more appropriate in exercising the role of Congress in oversight but to date this option has not been made available by the Majority party in either house of Congress.

If you have any questions regarding this matter, please contact my office.

Sincerely,

Frank R. Wolf
Member of Congress

FRW:bjc

Thank You

DRAFT -- March 8, 1994, 6:45 a.m.

Q. Any Question about Madison Guaranty Savings and Loan Association.

(Or, at end of prepared opening statement.)

serious concerns raised

A. I am very conscious of the (uproar) concerning several meetings between present and former Treasury officials and White House staffers about matters that have some relationship with Madison Savings and Loan Association. I have the highest regard for the integrity of the hard-working public servants who attended the meetings, Nevertheless, ~~but~~ I understand the concerns about ethics and appearances that have arisen.

Accordingly,

I ~~have decided not to conduct fact-finding myself. Instead~~, I directed Treasury staff to work with the Office of Government Ethics to assemble all of the facts and circumstances about these meetings. In this way, ~~so that~~ OGE can advise me about any ethics or conflicts matters that may arise from these facts. This factfinding effort is in process and currently far from complete.

As you know, Last Friday, March 4, Treasury and several senior officials were served with subpoenas by Special Counsel Robert Fiske for any and all documents and other materials related to these meetings. The subpoenas directed that responsive documents be produced on March 10 and that several individuals testify before a grand jury on the same date.

I understand that Special Counsel Fiske yesterday asked the Acting Inspector General of the Treasury Department not to undertake an IG investigation of these meetings that was requested last week by Congressman Frank Wolf. I also understand that Special Counsel Fiske has sent letters to Senator Riegle, Chairman of the Senate Banking Committee, and Representative Gonzalez, Chairman of the House Banking Committee, requesting that congressional hearings not be held on these matters. Further, I understand that OGE has requested a meeting with Special Counsel attorneys to discuss the OGE review of these meetings.

it would serve no purpose
Given all of these circumstances, ~~I believe that it is advisable for~~ me not to
for me to discuss in any detail
~~discuss any details that I may be aware of about~~ these meetings in this
hearing today. This is not the ~~right~~ time or place. I ~~know~~ ~~some bits and~~
pieces about thes~~e meetings from staff, and~~ I ~~have~~ read some media reports
OGE report on the
about ~~the meetings~~. I am anxious for the facts and circumstances to be
collected, reviewed, and reported to me as expeditiously as possible. At the

Inv'd. 3284
upon this
or any other
[illegible]

appropriate time I will be happy to go on the record and discuss ~~details about~~ these meetings.

I believe that this is the most careful and thorough, and fairest way to deal with these issues. It ensures that Special Counsel Fiske and OGE have the unimpeded opportunity to collect and organize all the relevant information. Of course, Treasury will cooperate fully with OGE and Special Counsel Fiske.

I appreciate your support and understanding in this matter.

D R A F T -- March 8, 1994

Q. Are you aware of any other meetings or conversations about Madison Guaranty between Treasury and the White House?

Hanson suggested answer:

A. **I understand that there was a fourth meeting on February 3 which Mr. Altman attended, but Ms. Hanson did not.**

D R A F T – March 8, 1994

Q. Are you aware of any other meetings or conversations about Madison Guaranty between Treasury and the White House?

Alternative answer:

A. I am not aware of any, but as I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

D R A F T -- March 8, 1994

Q. Before the meetings, did anyone at Treasury contact Treasury's ethics counsel? Is there an opinion or memo in writing?

A. I don't know if there is a written opinion, but I understand that the ethics counsel was consulted before the February 1994 meeting and did not object to it.

D R A F T – March 8, 1994

JOSHUA STEINER

Q. Mr. Steiner is your chief of staff. He didn't tell you about the meetings?

A. Mr. Steiner -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

D R A F T -- March 8, 1994

Q. Why would Mr. Steiner be involved in RTC matters?

A. Mr. Steiner is not directly involved in RTC matters. He is, however, responsible for liaison between the Treasury Department and the White House -- and attends many meetings with White House staff.

D R A F T – March 8, 1994

Q. Why would Mr. Steiner be involved in meetings with the White House on Madison Guaranty?

A. One of Mr. Steiner's responsibilities is to serve as liaison between the Department and the White House. He attends many meetings with White House staff on a variety of subjects.

D R A F T – March 8, 1994

JEAN HANSON

Q. Ms. Hanson is your General Counsel. She didn't tell you about the meetings?

Hanson suggested answer:

A. I now believe that Ms. Hanson and Mr. Altman consulted with me in advance of the White House meeting on February 2, 1994, that was mentioned by Mr. Altman in his February 24, 1994 testimony. I had not previously recollected that discussion.

D R A F T -- March 8, 1994

Q. Ms. Hanson is your General Counsel. She didn't tell you about the meetings?

Alternative answer:

A. Ms. Hanson -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

D R A F T -- March 8, 1994

Q. Why would Ms. Hanson be involved in RTC matters?

A. From the outset of Mr. Altman's appointment as interim CEO of the RTC, there was no permanent RTC General Counsel and no Deputy RTC CEO. Accordingly, there was a need to involve a small number of Treasury staff to provide support, including Treasury General Counsel Jean Hanson.

D R A F T – March 8, 1994

Q. Why would Ms. Hanson be involved in meetings with the White House on Madison Guaranty?

Hanson suggested answer:

A. My understanding is that Ms. Hanson attended three White House meetings regarding Madison as the result of a specific request by senior Treasury officials or as a result of a determination by senior Treasury officials that her attendance was appropriate.

D R A F T – March 8, 1994

Q. Why would Ms. Hanson be involved in meetings with the White House on Madison Guaranty?

Alternative answer:

A. During Mr. Altman's long tenure as interim CEO, it has been necessary for her to provide legal support on a variety of RTC-related matters.

D R A F T -- March 8, 1994

Q. Why did Ms. Hanson not interupt Mr. Altman at the February 24 Senate hearing and mention to him the meetings last fall?

A. I have not discussed this with Ms. Hanson, but knowing her as I do, I am satisfied that there was no intention of concealing any information.

D R A F T -- March 8, 1994

ROGER ALTMAN

Q. Mr. Altman is the Deputy Secretary of the Treasury. He didn't tell you about the February meeting?

Hanson suggested answer:

A. I now believe that Ms. Hanson and Mr. Altman consulted with me in advance of the White House meeting on February 2, 1994, that was mentioned by Mr. Altman in his February 24, 1994 testimony. I had not previously recollected that discussion.

D R A F T -- March 8, 1994

Q. Mr. Altman is the Deputy Secretary of the Treasury. He didn't tell you about the February meeting?

Alternative answer 1:

A. Mr. Altman -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

D R A F T – March 8, 1994

Q. **Mr. Altman is the Deputy Secretary of the Treasury. He didn't tell you about the February meeting?**

Alternative answer 2:

A. **After continued reflection, I am not certain when or from whom I first learned of the February meeting.**

D R A F T -- March 8, 1994

Q. **Why would Mr. Altman be involved in RTC matters?**

A. **Mr. Altman is the interim CEO of the RTC. In that capacity he is involved in RTC matters.**

D R A F T -- March 8, 1994

Q. Why would Mr. Altman be involved in White House meetings on Madison Guaranty?

A. Mr. Altman is interim CEO of the RTC.

D R A F T -- March 8, 1994

JACK DeVORE

Q. Mr. DeVore was a long-time aide to you before you became Treasury Secretary. He didn't tell you about the meetings?

A. Mr. DeVore was -- and my senior staff is -- well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

D R A F T -- March 8, 1994

Q. Why would Mr. DeVore be involved in RTC matters and why would he have attended a meeting at the White House on Madison?

A. Mr. DeVore was Treasury's Assistant Secretary for Public Affairs until November 1993. He was not directly involved in RTC matters, but it is my understanding that Treasury had received press inquiries concerning Madison Guaranty, presumably because Mr. Altman was the interim CEO of the RTC. I assume there was a desire to discuss responses to the press.

D R A F T -- March 8, 1994

Q. The White House Counsel Bernard Nussbaum has resigned as a result of these meetings. Shouldn't Treasury's Deputy Secretary, General Counsel and Chief of Staff -- who participated in these meetings -- also resign?

A. I can't say why Mr. Nussbaum resigned -- that is something for him to say. I see no reason for Roger Altman, Jean Hanson or Josh Steiner to resign. As I said last Thursday, they have my full confidence. I have asked the OGE to review the facts and circumstances surrounding this matter and report back to me.

D R A F T – March 8, 1994

Q. What are you doing to protect documents related to Madison Guaranty and Whitewater?

A. After receiving the subpoena from Special Counsel Fiske, the Department's Executive Secretary directed the identification, collection and preservation of all documents and other material resposive to the subpoena. We are fully cooperating with Special Counsel Fiske's investigation.

D R A F T -- March 8, 1994

Hanson suggested Q&A:

Q. What conversations have you had with Deputy Secretary Altman on the Madison Guaranty situation?

A. Mr. Altman and I have had several brief conversations relating to Madison Guaranty:

- **In late September, I believe, he told me that there was a possibility that criminal referrals might be made by the RTC that could receive press attention. [correct?]**
- **In early February, Mr. Altman and Ms. Hanson described to me generally the process the RTC was undertaking in its review of the Madison Guaranty in light of the then impending statute of limitations deadline. He also told me that he had received congressional inquiries suggesting that he recuse himself from the decision. He said that he intended to recuse himself and was going to talk to the White House.**

Sometime after that, he told me that he had decided that he would not recuse himself.

DRAFT

Q. The White House has stated that there was nothing wrong with Treasury officials meeting with White House officials on Madison Guaranty Savings and Loan. Why is it then that you have requested an investigation of these meetings? Doesn't this suggest that Treasury officials did something wrong?

A. I have full confidence in the professionalism and integrity of the Treasury officials involved in these meetings. I have simply asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues. I don't consider this an investigation, but you can call it what you want.

Given the partisan treatment these meetings have been given, and the suggestion Congressional members that these meetings violated some rule or standard of ethical conduct, I think it is important that these meetings be examined to determine if something wrong was done. The public deserves no less. If I had not requested OGE to look at these meetings, I suspect someone today would ask why I had not done so. You can't have it both ways.

Q. The White House said last Thursday that it didn't know in advance that you were asking OGE to investigate these meetings. Why?

A. My concern is with the actions taken by Treasury officials with respect to these meetings. That is why I asked OGE to review the meetings. I see no need to involve the White House in how Treasury handles questions concerning the conduct of Treasury officials.

Q. Why the Office of Government Ethics? Why isn't Treasury conducting its own investigation.

A. OGE is an independent office charged with overseeing the standards of conduct applicable to Executive branch employees. I can't think of a better office to determine whether these meetings raise any ethics or conflicts issues.

Q. Why didn't you ask Treasury's IG or the President's Council on Integrity and Efficiency or the Independent Counsel to conduct this investigation?

A. IGs and the PCIE generally look at issues involving waste, fraud and abuse, which are not at issue here. What is at issue is whether the meetings raise ethics or conflicts issues.

DRAFT

Q. Why didn't you refer this matter to the Independent Counsel?

The independent counsel is looking at civil and criminal violations of law in connection with Madison Guaranty. I am not aware of any suggestion that these meetings involved a violation of the law. The independent counsel's investigation, I am told, is expected to take some time. My desire is that this matter be looked at as quickly as possible, and I have asked OGE to do so.

Q. The Washington Post reported that the RTC has a policy on the confidentiality of investigations and criminal referrals that would make any release of such information improper. Don't these meetings violate that policy?

A. I would expect that would be an issue which OGE will examine.

Q. What was said in these meetings?

A. As I have said before, rather than conduct my own fact-finding on this matter, I have asked Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

Q. How come you didn't know about these meetings in advance? Would you have approved them?

A. Deputy Secretary Altman and General Counsel Hanson are senior officials with substantial responsibilities. They do not, and I do not expect them to, advise me of every meeting they attend, even when those meetings are at the White House.

Would I have approved the meetings had I known of them in advance? I am not going to deal in hypotheticals, but as President Clinton has said, in retrospect it would have been best for all concerned if these meetings had not taken place.

Q. Will you make OGE's report public?

A. Yes.

DRAFT

[If the CNN reported rumor that Mr. Nussbaum will resign is confirmed--

Q. The White House Counsel has resigned as a result of these meetings. Shouldn't Treasury's Deputy Secretary and General Counsel -- who participated in these meetings -- also resign?

I can't say why Mr. Nussbaum resigned -- that is something for him to say. I see no reason for either Deputy Secretary Altman or General Counsel Hanson to resign. As I said last Thursday, they have my full confidence. I have asked the OGE to review the facts and circumstances surrounding this matter and report back to me.]

3350

NOTE -- We just received a call from the General Counsel and Deputy General Counsel of OGE stating that prior to initiating their review, they are writing to independent counsel Robert Fiske to ensure that he has no objections to the OGE review. We will rework these answers to reflect this action.

D R A F T – March 7, 1994

1:30 p.m.

Q. The White House has stated that there was nothing wrong with Treasury officials meeting with White House officials on Madison Guaranty Savings and Loan. Why is it then that you have requested an investigation of these meetings? Doesn't this suggest that Treasury officials did something wrong?

A. I have full confidence in the professionalism and integrity of the Treasury officials involved in these meetings. I have simply asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues. I don't consider this an investigation, but you can call it what you want.

Given the partisan treatment these meetings have been given, and the suggestion by certain Congressional members that these meetings violated some rule or standard of ethical conduct, I think it is important that these meetings be examined from an ethical and conflicts perspective.

D R A F T – March 7, 1994

Q. The White House said last Thursday that it didn't know in advance that you were asking OGE to investigate these meetings. Why?

A. My concern is with the actions taken by Treasury officials with respect to these meetings. That is why I asked OGE to review the meetings. I see no need to involve the White House in how Treasury handles questions concerning the conduct of Treasury officials.

D R A F T – March 7, 1994

Q. Why didn't the White House ask OGE to investigate these meetings?

A. I understand that the White House has indicated that it will fully cooperate with the OGE review.

(Source: White House spokeswoman Dee Dee Myers quoted in the Wall Street Journal (3/4/94): "We'll cooperate fully with the special counsel and the [ethics office].")

D R A F T – March 7, 1994

Q. Why the Office of Government Ethics? Why isn't Treasury conducting its own investigation?

A. OGE is an independent office charged with overseeing the standards of conduct applicable to Executive branch employees. I can't think of a better office to determine whether these meetings raise any ethics or conflicts issues.

DRAFT – March 7, 1994

Q. Why didn't you refer this matter to the Independent Counsel?

A. The independent counsel makes his own decisions about what to investigate. Moreover, the independent counsel's investigation, I am told, is expected to take some time. My desire is that this matter be looked at as quickly as possible, and I have asked OGE to do so.

DRAFT -- March 7, 1994

Q. The Washington Post reported that the RTC has a policy on the confidentiality of investigations and criminal referrals that would make any release of such information improper. Don't these meetings violate that policy?

A. I would expect that would be an issue which OGE will examine.

D R A F T – March 7, 1994

Q. What do you know about Madison Guaranty?

A. I know nothing about the details of Madison Guaranty other than what I have read in the press. As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

[Background: The Conference Report accompanying FIRREA (Aug. 4, 1989), provides at page 410:

"The Oversight Board will review and have overall responsibility for the RTC's activities. The Oversight Board will not, however, be involved in or responsible for case specific matters involving individual institutions, specific asset dispositions or generally the day-to-day operations of the RTC."]

D R A F T – March 7, 1994

Q. When did you first learn about these meetings?

A. [Your answer.]

D R A F T – March 7, 1994

Q. When did Treasury's ethics officials first learn of these meetings? Did they approve the meetings?

A. I don't know and I have not conducted my own fact-finding on this. I have directed Treasury's staff to cooperate fully with OGE to assemble and the facts and circumstances concerning these meetings.

D R A F T – March 7, 1994

Q. What was said in these meetings?

A. As I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

D R A F T – March 7, 1994

Q. How come you didn't know about these meetings in advance? Would you have approved them?

A. I did not know about these meetings in advance because there is no need for me to know about an area in which Congress has specifically instructed me as Chairman of the Oversight Board not to become involved.

Would I have approved the meetings had I known of them in advance? I am not going to deal in hypotheticals, but as President Clinton has said, in retrospect it would have been best for all concerned if these meetings had not taken place.

[Background: The Conference Report accompanying FIRREA (Aug. 4, 1989), provides at page 410:

"The Oversight Board will review and have overall responsibility for the RTC's activities. The Oversight Board will not, however, be involved in or responsible for case specific matters involving individual institutions, specific asset dispositions or generally the day-to-day operations of the RTC."]

D R A F T – March 7, 1994

Q. **Will you make OGE's report public?**

A. **Yes.**

D R A F T – March 7, 1994

Q. **The White House Counsel Bernard Nussbaum has resigned as a result of these meetings. Shouldn't Treasury's Deputy Secretary, General Counsel and Chief of Staff – who participated in these meetings – also resign?**

A. **I can't say why Mr. Nussbaum resigned – that is something for him to say. I see no reason for Roger Altman, Jean Hanson or Josh Steiner to resign. As I said last Thursday, they have my full confidence. I have asked the OGE to review the facts and circumstances surrounding this matter and report back to me.**

94-130690

ONE HUNDRED THIRD CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON GOVERNMENT OPERATIONS
2157 Rayburn House Office Building
Washington, DC 20515-6143

February 14, 1994

The Honorable Lloyd M. Bentsen
Secretary of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 202200

Dear Secretary Bentsen:

Recent press stories have raised concerns regarding the procedures observed by the U.S. Park Police and other law enforcement agencies following the tragic death of White House aide Vincent Foster. These stories have suggested, among other things, that investigators were "impeded" in their investigation of Mr. Foster's death.

As a result, I have asked the staff of the Committee on Government Operations to conduct a review of the operations of the law enforcement organizations responsible for conducting the investigation of this event. I would appreciate your assistance in this congressional review by providing me copies of all documents filed within the Department of Treasury regarding the death of Mr. Foster and make available relevant personnel. This should include, but not be limited to, the ATF ballistics and Secret Service reports. I would be happy to discuss with you any concerns regarding the public disclosure of this material during the pendency of the Special Counsel review.

Rule X of the Rules of the House of Representatives charges the Government Operations Committee with the responsibility of conducting reviews of the management and effectiveness of government operations and activities. It is under the authority of Rule X that I request these documents. My review will focus on the efficiency and effectiveness of the investigation as conducted by the U.S. Park Police, Bureau of Alcohol, Tobacco and Firearms, Federal Bureau of Investigation, and Secret Service.

I would appreciate your office providing me this material by noon on Monday, February 21. If you have any questions regarding this request, please feel free to contact me or ask your staff to contact Kevin Sabo, my general counsel, at 225-5074.

Sincerely,

William F. Clinger

William F. Clinger, Jr.

DEPARTMENT OF THE TREASURY
WASHINGTON

GENERAL COUNSEL

MEMORANDUM FOR EDWARD KNIGHT
EXECUTIVE SECRETARY

RONALD K. NOBLE
ASSISTANT SECRETARY (ENFORCEMENT)

ELJAY B. BOWREN
DIRECTOR, U.S. SECRET SERVICE

JOHN W. MAGAW
DIRECTOR, BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

FROM: Jean E. Hanson

SUBJECT: *Congressman Clinger Request for Documents*

Attached is a letter dated February 14, 1994, asking for copies of documents "filed within the Department of Treasury" related to the death of Vincent Foster. Congressman Clinger specifically asked that we include documents held by BATF and USSS. We have been asked to coordinate the Department's response to this request.

Please have a search of your organization conducted for any documents responsive to Congressman Clinger's request, and provide copies of any responsive documents you find to Assistant General Counsel Robert McNamara (622-1913) in room 2310, Main Treasury. We would appreciate your views as to documents or portions thereof being disclosed or withheld. In addition, please advise us of any past or current similar requests for documents such as those sought by Congressman Clinger and what you have done in response to such requests.

We request that you provide copies of any responsive documents, or that you provide a written response that you have found none, by February 28, 1994.

DEPARTMENT OF THE TREASURY
WASHINGTON

February 23, 1994

The Honorable William F. Clinger, Jr.
Ranking Republican
Committee on Government Operations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Clinger:

This is in response to your letter of February 14 regarding the Department of the Treasury's documents concerning the death of Vincent Foster. We are working expeditiously to locate responsive documents.

However, as you are aware, other agencies also have been working on aspects of this matter. Because of the past and present work by other law enforcement agencies, we must coordinate with them to ensure that our disclosures do not jeopardize any open investigations.

We will contact you with more information as soon as we can.

Sincerely,

Dennis I. Foreman

Dennis I. Foreman
Deputy General Counsel

EXECUTIVE SECRETARIAT CORRESPONDENCE PROFILE

PROFILE #: 94-131425 CREATE DATE: 03/04/94

ADDRESSEE: Bentsen, Lloyd M.
Secretary

AUTHOR: Wolf, Frank R.
HR

SUBJECT: Request For Inspector General Investigation

ABSTRACT: Request for an Inspector General investigation of the meetings of Treasury officials and White House staff to provide "briefings" on Madison-Whitewater and other matters.

************************* TASK ASSIGNMENT MEMORANDUM *************************

ASSIGNED TO:
INSPECTOR GENERAL

DUE DATE: 03/11/94

ACTION REQUIRED: Direct Reply

TASK: Please note profile # on comeback copy.

DISTRIBUTION: DEPUTY SECRETARY
CHIEF OF STAFF
EXEC SEC
GENERAL COUNSEL
LEGISLATIVE AFFAIRS

OTHER DISTRIBUTION: ~~Ben Nye~~

FRANK R. WOLF
10TH DISTRICT, VIRGINIA

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WINCHESTER, VA 22601
(703) 667-0990

Congress of the United States
House of Representatives
Washington, DC 20515-4610

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEES:
TRANSPORTATION
TREASURY—POSTAL SERVICE—GENERAL GOVERNMENT
COMMISSION ON SECURITY AND COOPERATION IN EUROPE

94-131425

March 4, 1994

The Honorable Lloyd Bentsen
Secretary
Department of Treasury
15th and Pennsylvania, N.W.
Washington, DC 20220

Dear Secretary Bentsen:

I wanted to bring this letter that I wrote to the Deputy Inspector General to your attention.

Sincerely,

Frank R. Wolf
Member of Congress

FRW:bjc

THIS STATIONERY PRINTED ON PAPER MADE OF RECYCLED FIBERS

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10th District, Virginia

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Congress of the United States
House of Representatives
Washington, DC 20515-4610

COMMITTEE ON APPROPRIATIONS
Subcommittees
Transportation
Treasury—Postal Service—General Government
COMMISSION ON SECURITY AND COOPERATION IN EUROPE

March 4, 1994

Mr. Robert Cesca
Deputy Inspector General
Department of the Treasury
15th and Pennsylvania, N.W.
Suite #2412
Washington, DC 20220

Dear Mr. Cesca:

I am writing as a member of the Treasury, Postal, General Government appropriations subcommittee to request that the Office of Inspector General investigate the recent meetings of Treasury officials with the White House to provide "briefings" on Madison-Whitewater and other matters. The astonishing revelation that not only one, but three such improper meetings were held between Treasury officials and the White House calls out for serious investigation.

In the past I have found Inspector General investigations to be helpful in providing assistance in such matters. When the CIA move was proposed to West Virginia, the CIA Inspector General uncovered information that previously had not been forthcoming from any other sources. I hope your office will be able to provide the same kind of independent analysis.

While the Secretary of the Treasury has requested the Office of Government Ethics to investigate this matter, I believe the Inspector General would be more appropriate. Several months ago I requested an investigation by the Office of Government Ethics into the situation with White House passes and was told by their office that they do not have the capability to do investigations. Perhaps Secretary Bentsen was under the same misunderstanding that I was and thought that the Office of Government Ethics can do independent investigations. That is not the case. The Office of Government Ethics just reviews the investigations of other agencies.

3539

If the Office of Government Ethics were to investigate this matter the initial investigation would be done by the White House ethics officer and they would subsequently review the matter. Since Mr. Nussbaum himself is the White House ethics officer and he was one of the individuals involved in the improper meetings he obviously cannot investigate himself. Having a subordinate of his investigate him would also be inappropriate.

3539

In addition to these meetings, I believe any other meetings with banking matters or FDIC or RTC investigations involving White House officials or other politically connected individuals should also be investigated as part of this matter.

One aspect that is particularly troubling in this affair is that even after the Altman meeting with the President's White House Counsel Bernard Nussbaum, the First Lady's Chief of Staff Maggie Williams and Deputy White House Chief of Staff Harold Ickes came to light last week, the Treasury Department was not forthcoming about discussing the previous White House meetings that had been held with high level Treasury officials. In these meetings last fall, the White House was informed of "criminal referrals" that they would be mentioned in. If the press had not reported these earlier meetings one has to wonder if anyone at Treasury would have brought them to light or if these meetings would have continued to go on.

I believe the Inspector General is only one proper investigatory tool to look into this matter. Obviously, Congressional hearings would be more appropriate in exercising the role of Congress in oversight but to date this option has not been made available by the Majority party in either house of Congress.

If you have any questions regarding this matter, please contact my office.

Sincerely,

Frank R. Wolf
Member of Congress

FRW:bjc

THANK YOU

3540

U.S. SENATOR
Al D'Amato News Release
NEW YORK
Contacts: Washington • Frank Coleman • 202/224-6498 New York • Zenia Mucha • 212/736-3865

FOR IMMEDIATE RELEASE:
Thursday, March 3, 1994

CONTACT: Frank Coleman
(202) 224-6498

REPUBLICANS DEMAND HEARING ON SECRET WHITE HOUSE BRIEFING

D'AMATO, DOLE LEAD 43 IN BLOCKING CLINTON 'PAL' FOR FDIC POST

WASHINGTON -- U.S. Senator Alfonse D'Amato (R-NY) and Minority Leader Robert Dole (R-KS) today announced Republicans are blocking the nomination of Ricki R. Tigert to head the Federal Deposit Insurance Corporation (FDIC) until the Banking Committee holds hearings on the secret Whitewater briefing given by the acting head of the Resolution Trust Corporation (RTC) to top White House staffers.

The GOP position was outlined in a letter to Majority Leader George Mitchell, signed by 43 GOP Senators, citing the "heads up" briefing acting RTC head Roger Altman gave about the agency's supposed independent investigation of Madison/Whitewater to White House Counsel Bernard Nussbaum, Deputy Chief of Staff Harold Ickes, Hillary Clinton's Chief of Staff Margaret Williams and Treasury General Counsel Jean Hansen.

Calling the meeting "highly improper," the letter said it raised serious questions about the alleged independence of the RTC's investigation and the interference of senior White House political operatives in a regulatory matter.

"The American people deserve to have confidence that the RTC conducts its business in an independent and impartial fashion," the Senators wrote. "A Congressional hearing is an appropriate forum in which to examine the important ethical and regulatory issues raised by the Altman-White House meeting."

The disclosure of the secret "heads up"--as Altman called it--about the status of the agency's investigation into the Madison Guaranty collapse came at an RTC oversight hearing last Thursday in the Senate Banking Committee.

Despite all evidence to the contrary, the White House has continued to maintain that the briefing was proper and that the same briefings were provided to Congress and the press.

✓ Forty-one Senators is the number needed to effectively prevent action in the chamber.

A copy of the text of the letter is attached.

-fc030294-

United States Senate
WASHINGTON, DC 20510

March 2. 1994

The Honorable George J. Mitchell
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

We are writing to inform you that we will object to any agreement seeking consent to proceed to the nomination of Ricki R. Tigert, President Clinton's nominee to chair the Federal Deposit Insurance Corporation, until the Senate Banking Committee has an opportunity to thoroughly examine the Resolution Trust Corporation's handling of its civil investigation into Madison Guaranty Savings and Loan.

As you know, the Acting Chief Executive Officer of the RTC, Roger Altman, recently disclosed that he sought a meeting with White House officials to give them a "heads-up" on the RTC's investigation. Needless to say, such a meeting is highly improper and raises very real questions about Mr. Altman's impartiality and the alleged independence of the investigation. Specifically, why were Harold Ickes and Margaret Williams present, in addition to White House Counsel Bernard Nussbaum? According to the Washington Post, Mr. Ickes the Deputy Chief of Staff, is responsible for Whitewater "damage control". Ms. Williams, Chief of Staff for Mrs. Clinton, had previously participated with Mr Nussbaum in searching Vincent Foster's office and sending all or some of the materials to David Kendall of Williams and Connally who is representing the President and Mrs. Clinton.

We believe public hearings are required to explore these and other questions involving the attendance of political operatives at the White House in briefings by the head of a supposedly independent agency on matters that have nothing to do with the Executive Office of the President.

We regret having to delay the Senate's consideration of Ms. Tigert's nomination. Nevertheless, the American people deserve to have confidence that the RTC conducts its important business in an independent and impartial fashion. A Congressional hearing is an appropriate forum in which to examine the important ethical and regulatory issues raised by the Altman-White House meeting.

Sincerely,

Alfonse D'Amato

Bob Dole

Larry E. Craig

Trent Lott

Connie Mack

Conrad Burns

John McCain

Kit Bond

Lauch Faircloth

Bob Packwood

3/2/94

John H. Chafee

Jim Jeffords

Don Nickles

Mitch McConnell

Strom Thurmond

Thad Cochran

Pete V. Domenici

Hank Brown

Larry Pressler

Bill Roth

Malcolm Wallop

Chuck Grassley

Dave Durenberger

Richard G. Lugar

John Warner

Dirk Kempthorne

Bob Smith

Kay Bailey Hutchison

Nancy Landon Kassebaum

cc: The Honorable Donald Riegle, Jr.

OPENING STATEMENT OF SENATOR ALFONSE M. D'AMATO HEARING ON REGULATORY CONSOLIDATION

March 3, 1994

Mr. Chairman, we have worked together, and our staffs have worked together, in a bipartisan effort to restructure the current bank regulatory system. I enthusiastically joined with you in this effort because we share the goals of streamlining regulation of the banking system and assuring the independence of the bank regulators.

MR. CHAIRMAN, I KNOW YOU AGREE THAT Independence is the bedrock principle that any consolidation proposal must be based upon. In this climate of conern about the integrity of our financial system, it is absolutely essential that the public have complete confidence in our independent bank regulatory system. My confidence and the trust of the American people in this independence was jolted last week by the revelations about White House interference with the RTC investigtion of Madison Guaranty. Today, we learn from the Washington Post that there have been at least two previous undisclosed meetings between White House staff and Treasury and RTC officials. This time the meetings were about ~~involving~~ the criminal referrals that were made to the Justice Department by the RTC.

Mr. Chairman, in this climate of concern about independence, I was shocked to discover provisions buried in the Adminstration bill that would make the proposed Federal Banking Commission a puppet of the White House.

As I pointed out yesterday, under the Administration's proposal, the Justice Department would have complete control over the new banking agency's litigation authority. Section 304 of the bill, says: "litigation may be conducted only with the prior consent of the Attorney General of the United States and subject to the Attorney General's direction and control." How in the world can the Federal Banking Commission be the cop on the beat when ~~Janet Reno and~~ Hillary Clinton's friends~~,~~ at Justice like Webster Hubbell, have all the guns?

In addition to requiring Justice Department approval over all litigation, the Administration's bill would also prevent the new bank regulator from even proposing a regulation, submitting testimony, or providing legislative recommendation without the prior approval of the White House Office of Management and Budget.

If the Administration's bill were the law today, the RTC could not sue to recover money from anyone who defrauded Madison Savings and Loan without Justice Department approval and the FDIC could not testify about Whitewater without the blessing of the White House. Its hard enough for the American people to learn the facts and be assured the agencies are applying the laws impartially under current law. But imagine if these agencies were directly under the political thumb of the White House.

How can we expect the American people to entrust Janet Reno to make decisions on bank litigation? Or, how can we tell them, that Webster Hubbell, himself under scrutiny by his old law firm, will make these decisions?

I believe in the need to consolidate bank regulatory agencies. But I believe more strongly in the principcle of independence. If the Administration does not agree with this principle, I seriously doubt any legislation will emerge from this Committee. If the Administration does agree, than I am encouraged by the comments of the Chairman, the Secretary of the Treasury, the Chairman of the Fed, and our colleagues that we can improve the structure of bank regulation. But if their idea of independence is to put Janet Reno, Web Hubbell and other Clinton cronies in control of the nation's banking system, I will fight them tooth and nail.

Mr. Chairman, in today's climate, these provisions in the Administration's proposal are outrageous. They are shocking, and they are wrong. You and I know it, and the American people know it.

MR. CHAIRMAN, YOU HAVE ANNOUNCED THAT YOU WANT TO MARKUP A BILL LATER THIS MONTH. I AGREE ~~BUT~~ AND WE WILL CONTINUE TO WORK TOGETHER TO ASSURE THAT INDEPENDENCE IS A BENCHMARK OF OUR CONCOLIDATION EFFORTS.

EXECUTIVE SECRETARIAT CORRESPONDENCE PROFILE

PROFILE #: 94-131530 CREATE DATE: 03/08/94

ADDRESSEE: Bentsen, Lloyd M.
Secretary

AUTHOR: Bachus, Spencer T., III
HR

SUBJECT: Deputy Secretary's Briefing To White House Officials

ABSTRACT: Requests that the Deputy Secretary provide the House Banking Committee with a briefing of the same nature as the one provided to White House officials on the ongoing investigation of Madison Guaranty of Little Rock, Arkansas. (Also signed by 19 other Representatives.)

************************* TASK ASSIGNMENT MEMORANDUM *************************

ASSIGNED TO: FRANK N. NEWMAN
UNDER SECY/DOMESTIC FIN

DUE DATE: 03/15/94

ACTION REQUIRED: Letter

TASK: Please prepare a response for the signature of the Secretary and clear with General Counsel. Legislative Affairs prepare an interim response if necessary.

DISTRIBUTION: DEPUTY SECRETARY
GENERAL COUNSEL
LEGISLATIVE AFFAIRS
EXEC SEC

OTHER DISTRIBUTION: ~~Ben Nye~~

94-131530

SPENCER T. BACHUS, III
6TH DISTRICT, ALABAMA

COMMITTEES
BANKING, FINANCE AND URBAN AFFAIRS
VETERANS AFFAIRS

Congreſs of the United States
House of Representatives
Washington, DC

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WASHINGTON, DC 20515
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SUITE 107
BIRMINGHAM, AL 35243
(205) 969-2296

2500 McFARLAND BOULEVARD
PO DRAWER 569
NORTHPORT, AL 35476
(205) 333-9894

March 2, 1994

The Honorable Lloyd Bentsen
1500 Pennsylania Avenue NW
Washington, D.C. 20220

Dear Mr. Secretary:

We were very disappointed to hear news reports of Deputy Secretary Roger Altman's briefing to White House Counsel, Bernard Nussbaum, Deputy Chief of Staff Harold Ickes and Mrs. Clinton's Chief of Staff Margaret Williams on the ongoing investigation of Madison Guaranty Savings and Loan being conducted by Special Counsel, Robert Fiske.

It is both disappointing and alarming that Mr. Altman would compromise the information entrusted to him in his position as Acting Chief Executive Officer of the RTC. As Members of the House Banking Committee, charged with oversight of the RTC, we would request that Mr. Altman provide us with a briefing of the same nature as the one provided to White House officials on the ongoing investigation of Madison Guaranty of Little Rock, Arkansas. Mr. Altman should not be sharing information on an ongoing investigation of this type unless it is made available broadly and certainly to the Committee charged with RTC oversight responsibility.

This incident highlights again the critical need for Thrift Depositor Protection Oversight Board hearings and a truly independent Chief Executive Officer for the remaining time the RTC is in operation.

Sincerely,

Tom Ridge
John Linder
Mike Castle

Doug Bereuter
Craig Thomas
Michael Huffington
Peter T. King

PRINTED ON RECYCLED PAPER

Thomas Ridge

Al McCandless

Jim Nussle

Rick Lazio

Marge Roukema

Rod Grams

Richard H. Baker

Sam Johnson

EXECUTIVE SECRETARIAT CORRESPONDENCE PROFILE

PROFILE #: 94-131519 CREATE DATE: 03/08/94

ADDRESSEE: Bentsen, Lloyd M.
Secretary

AUTHOR: D'Amato, Alfonse
Senate

SUBJECT: Removal Of Deputy Secretary In His Capacity Of Head Of RTC

ABSTRACT: Urges the Secretary to remove the Deputy Secretary from any and all responsibilities related to the RTC. (Also signed by Reps. Leach, Johnson, and McCollum.)

************************** TASK ASSIGNMENT MEMORANDUM **************************

ASSIGNED TO: FRANK N. NEWMAN
UNDER SECY/DOMESTIC FIN

DUE DATE: 03/15/94

ACTION REQUIRED: Letter

TASK: Please prepare a response for the signature of the Secretary and clear with General Counsel. Legislative Affairs prepare an interim response if necessary.

DISTRIBUTION: DEPUTY SECRETARY
LEGISLATIVE AFFAIRS
GENERAL COUNSEL
EXEC SEC

OTHER DISTRIBUTION: Ben Nye

94-131519

Congress of the United States
House of Representatives
Washington, DC 20515

March 7, 1994

Honorable Lloyd Bentsen
Secretary of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Bentsen:

This letter is to request that you immediately take action to have Deputy Secretary of the Treasury Roger Altman removed from any and all responsibilities related to the Resolution Trust Corporation. As part of our oversight responsibilities on our respective Banking Committees, we believe that any actions taken by the RTC are subject to our scrutiny.

In light of the fact that you have requested an investigation by the Office of Government Ethics, and federal grand jury subpoenas have been issued regarding Mr. Altman's meetings with White House officials on matters under his control as Acting Director of the Resolution Trust Corporation, we believe this action is warranted.

We support your call for an independent investigation of possible breaches of ethical standards brought about by the much publicized meetings between Mr. Altman and White House officials. However, we believe that holding these meetings in any event has compromised Mr. Altman's stature as the head of an independent federal agency.

Your prompt consideration of this request is appreciated.

Sincerely,

JIM LEACH
Member of Congress

Alfonse D'Amato
ALFONSE D'AMATO
United State Senator

Sam Johnson
SAM JOHNSON
Member of Congress

Bill McCollum
BILL MCCOLLUM
Member of Congress

EXECUTIVE SECRETARIAT CORRESPONDENCE PROFILE

PROFILE #: 94-131497 CREATE DATE: 03/08/94

ADDRESSEE:	Bentsen, Lloyd M. Secretary	AUTHOR:	Ley, Jane S. Office Of Gov Ethics

SUBJECT: CC Of Ltr To Independent Counsel Re WH/Treasury Meeting

ABSTRACT: CC of letter to Robert B. Fiske, Independent Counsel, requesting a meeting to discuss the meeting of White House and Treasury officials.

DISTRIBUTION:
- DEPUTY SECRETARY
- GENERAL COUNSEL
- LEGISLATIVE AFFAIRS
- EXEC SEC
- INSPECTOR GENERAL
- CHIEF OF STAFF
- PUBLIC AFFAIRS

OTHER DISTRIBUTION: Ben Nye

94-131497

United States
Office of Government Ethics
1201 New York Avenue, NW, Suite 500
Washington, DC 20005-3917

March 7, 1994

Robert B. Fiske, Jr.
Independent Counsel
Suite 490 N
1001 Pennsylvania Avenue, NW.
Washington, DC 20004

Dear Mr. Fiske:

This Office received a letter dated March 3, 1994, from Lloyd Bentsen, Secretary of the Treasury, asking for our views regarding certain actions that may have been taken by members of his staff. We earlier received a letter dated March 1, 1994, from Representative James Leach, Ranking Member of the Committee on Banking, Finance and Urban Affairs, requesting our review and advice as to whether a meeting between three White House officials and Roger Altman, Interim CEO of the Resolution Trust Corporation and Deputy Secretary of the Treasury, "violated any guidelines of government ethics, regulations, or law." Copies of both letters are enclosed for your information.

Because media reports have indicated your office has issued subpoenas to certain Treasury and White House officials, we would like to meet with you and/or representatives of your office before proceeding in any fashion with respect to these two requests. I am being assisted by Stuart Rick, Associate General Counsel, in this matter. We can both be reached at (202) 523-5377.

Sincerely,

Jane S. Ley

Jane S. Ley
Deputy General Counsel

Enclosures

cc: ✓The Honorable Lloyd Bentsen
Secretary of the Treasury

The Honorable James Leach
U.S. House of Representatives

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

FAXED 3/2/94

March 2, 1994

The Honorable Donald W. Riegle, Jr.
United States Senate
105 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Riegle:

I testified before your Committee last Thursday in connection with the semi-annual Oversight hearings on the RTC. There was a discussion, as you remember, of a meeting which I had with representatives of the White House. As I indicated, no non-public information was provided at that meeting on any aspect of the Madison Guaranty matter.

When Senator Bond asked me at that hearing whether any other communications had taken place between the RTC and the White House, my response was "not to my knowledge". I still have no knowledge that any such discussions occurred.

But, I have learned today of two conversations which did take place between Treasury staff and White House personnel on this matter. My information is that both related to the handling of press inquiries.

I would appreciate the opportunity to amend the record accordingly.

Sincerely,

Roger C. Altman

801 17th Street, NW Washington, DC 20434

RTC
RESOLUTION TRUST CORPORATION
Resolving The Crisis
Restoring The Confidence

March 3, 1994

The Honorable Donald W. Riegle, Jr.
United States Senate
105 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Riegle:

As you know, I testified before your Committee last week in connection with the semi-annual Oversight hearings on the RTC. I was asked about any contacts which I had with representatives of the White House on RTC matters and described a meeting which I had.

I would like to expand the record as follows. First, to the best of my recollection, no non-public information was provided on this case to representatives of the White House during that discussion. Second, it is my understanding that RTC staff had already had discussions with Senator D'Amato's staff on statute of limitations issues. Third, the Treasury General Counsel, who also attended the meeting, has advised me that before that meeting she sat down with this Department's designated Ethics Officer. She informed him of the purposes of the meeting and asked his view. He advised her that he saw no problem.

In short, there was no discussion whatsoever on the substance of this case. That's because I never have had, nor have, any knowledge of the substance. I have received no documents in that regard, nor otherwise received any information on the substance of this matter.

Sincerely,

Roger C. Altman

Outline of RTC/Madison Guaranty Issues:

- RTC has been requested by eight Republican Senators and Congressmen, including Dole and Michel, to seek tolling agreements from President and Mrs. Clinton, the McDougals, David Hale, Jim Guy Tucker, Seth Ward and the Rose law firm, relating to Madison Guaranty.

- Under the RTC Completion Act, the statute of limitations has been extended to five years. The extension is retroactive for claims involving fraud or intentional misconduct resulting in unjust enrichment or substantial loss to the institution.

- The retroactive five-year extension relating to Madison Guaranty will expire on February 28, 1994.

- The only claims that could still exist as a result of the five year retroactive extension are those relating to fraud or intentional misconduct. All other claims, including any based on negligence or gross negligence, have lapsed.

- If any claim relating to fraud or intentional misconduct does exist, the RTC has three choices: (1) allow the claim to lapse on 2/28/94; (2) commence litigation to preserve it; or (3) enter into a tolling agreement with the relevant party to extend the statute of limitations, giving the RTC additional time to investigate and determine whether to commence litigation.

- The RTC can enter into a tolling agreement only if the other party agrees.

- There must be a basis to bring a lawsuit; frivolous claims will be dismissed and can subject the attorneys bringing the suit to sanctions by the court.

- The RTC is currently reviewing the Madison Guaranty situation to determine if any claims exist under the Completion Act. (See 2/1/94 letter to Dole.)

- If it is decided that any claim does exist, the RTC will have to determine which of the three alternatives to choose.

- The work is being supervised by Ellen Kulka, the new General Counsel, and by Jack Ryan, the new interim Deputy C.E.O.

- It is not certain when the analysis will be completed, but it will be before February 28.

3614
yam

EXECUTIVE SECRETARIAT CORRESPONDENCE PROFILE

PROFILE #: 94-131497 CREATE DATE: 03/08/94

ADDRESSEE: Bentsen, Lloyd M.
Secretary

AUTHOR: Ley, Jane S.
Office Of Gov Ethics

SUBJECT: CC Of Ltr To Independent Counsel Re WH/Treasury Meeting

ABSTRACT: CC of letter to Robert B. Fiske, Independent Counsel, requesting a meeting to discuss the meeting of White House and Treasury officials.

DISTRIBUTION:
DEPUTY SECRETARY
GENERAL COUNSEL
LEGISLATIVE AFFAIRS
EXEC SEC
INSPECTOR GENERAL
CHIEF OF STAFF
PUBLIC AFFAIRS

OTHER DISTRIBUTION: Ben Nye

3022
Jan
34055 3/10/94

94-131497

United States
Office of Government Ethics
1201 New York Avenue, NW, Suite 500
Washington, DC 20005-3917

March 7, 1994

Robert B. Fiske, Jr.
Independent Counsel
Suite 490 N
1001 Pennsylvania Avenue, NW.
Washington, DC 20004

Dear Mr. Fiske:

This Office received a letter dated March 3, 1994, from Lloyd Bentsen, Secretary of the Treasury, asking for our views regarding certain actions that may have been taken by members of his staff. We earlier received a letter dated March 1, 1994, from Representative James Leach, Ranking Member of the Committee on Banking, Finance and Urban Affairs, requesting our review and advice as to whether a meeting between three White House officials and Roger Altman, Interim CEO of the Resolution Trust Corporation and Deputy Secretary of the Treasury, "violated any guidelines of government ethics, regulations, or law." Copies of both letters are enclosed for your information.

Because media reports have indicated your office has issued subpoenas to certain Treasury and White House officials, we would like to meet with you and/or representatives of your office before proceeding in any fashion with respect to these two requests. I am being assisted by Stuart Rick, Associate General Counsel, in this matter. We can both be reached at (202) 523-5377.

Sincerely,

Jane S. Ley

Jane S. Ley
Deputy General Counsel

Enclosures

cc: ✓The Honorable Lloyd Bentsen
Secretary of the Treasury

The Honorable James Leach
U.S. House of Representatives

3623 jam

3/7/94

Rep. Steny Hoyer
Rep. Bill Lightfoot

$10.4 billion Operating Funds.
Openning Statement. by Secretary

EACH MEMBER LIMITED TO 5 MINS DURING 1ST ROUND

HOYER: ① TOTAL COST OF NAFTA IMPLEMENTATION
② ARE ALL COSTS INCLUDED IN FY'95 BUDGET REQUEST – ARE WE DEFERRING ANY COSTS. SPECIFICALLY ADDRESS GATT AS WE
*400 MIL TSM – NOT INCLUDED
③ WANTS TO RAISE QUESTIONS ON Madison Guarantee – has a copy of a letter from Fiske asking specifically that congress not delve into any issue

Sec.

Very concious about meetings that have happened. Sec. had not attend any of those meetings. ~~Has~~ highest regard for those officials who did attend. Referred it to OGE.
Mentioned subpeonas served to Treasury personnel and that all documents will be collected by March 10th. Treasury staff has been directed not to

Fiske requested that IG not investigate this issue separately. Fiske further requested that Congress not hold meetings. Fiske has requested a meeting with OGE.
TAKES his responsibility on Oversight

3405 H
AWD 3/10/94

NOT appropriate time to discuss this. Issue.

Fiske + OGC ~~will~~ must be allowed to proceed unimpeded. He has the highest regard for ~~public~~ ~~of~~ Treasury STAFF.

Rep. WOLFE:

- submitted questions for the record.
- Focussed on issue of China and MFN.
  Use of slave labor and other abuses.
  Inmates have been executed and vital organs sold for transplant.

X **Rep Visloskey**

- Counterfeiting of our Currency.
- EASE of counterfeiting of our dollars and higher bills.

Rep. LIGHTFOOT

MADISON → Wants to know ~~Be~~ when we knew about these meetings and when they took place.

Bentsen → procluded from answering in light of the Fiske letter.

Hinted towards Accusation of "Stonewalling" could taint other people.

RESPONDED that he immediately referred it to OGE

Fisk Letter

Rep. Lightfoot Cont.

Gun Liscencing. issue - Anology to Alcohol Prohibiti

Rep. Buddy Darden:

- Lack of Responsiveness re: Repayment of $3 billion by Oglethorpe.

Rep. Istook

Whitewater inquiry. How can it be off limits.
Fiske letter - cannot be interpretted as a directive he can only make requests.
~~[illegible]~~
Is there any internal effort w/ Gen Counsel looking into this. Who else?
Office of Government Ethics.

Why did you turn down the request for IG investig

Isn't your intent to give your cooperation solely to Grand Jury and special counsel.
Why are you stopping legitimate inquiries from Congress

Istook (Oklahoma)
(cont.)

President's statement favored openness yesterday now you are stopping at the first request by ~~Be~~ the Special Counsel.
Why is special counsel favored over Congress which has Constitutional authority for oversight
[Response: remembers Iran Contra probe]

Remembers WATERGATE INQUIRIES WERE successful ~~B~~ because it was the collaboration by Congress, Press, counsel and others... which led to successful disclosure.

Proper course of action is to honor all inquiries.

Secretary's referring

* Is there any internal inquiry w/in Treasury? DOES THAT MEAN THAT there is An inquiry no inquiry, or is he unwilling to say?

[Rep. Hoyer intervenes - 9 mins over 5 mins
— And will not have the Secretary Badgered

See. Added
[Rep. Wolf asked Treasury's IG to investigate this. Then contacted Mr. Fiske who directed him to discontinue investigation - which he did.

Rep. Olver (Western, MA)

① Question about Crane Co. in his district which recycles "old money"

② Issue of Tax Gap - Compliance returns on investment 5:1
Every 1% represents $7-10 billion per year...
STATEMENT NOT QUESTION.

Rep. Hoyer

① → Number of User Fees we are proposing

② → Administration exempted Law Enforcement FY95 FTE cuts ~~Fr~~
Is this a continuing policy in 96 and beyond.

③ → Wanted Direct, Reimburseable, and —— employee counts for Treasury.
NO RIFS ARE PLANNED FOR FY95 TO REACH TARGET
BUYOUTS NEED TO AVOID RIFS.

Rep. Lightfoot:

Whitewater → Would you be willing to come back and discuss this issue in a less public forum or not.

Sec. - No. I'm going to ~~&~~ listen to the advise of the special counsel on this issue. I'm comfortable with my actions to date on this issue.

Rep. Lightfoot (cont)

→ Banking Consolidation → is emphasis on people or regulations. It seems to us the regulations are the problem.

→ User Fees: Budget is predicated upon user fees, what happens if we cannot accomplish that legislatively.?
Have you identified what programs you could do without if they don't pass?

→ Exemptions for law enforcement staff from FTE Reductions.

Rep Visclosky

GATT Implementing legislation

ENTITLEMENT PROGRAMS.

Rep. Darden

Banking Consolidation →

RTC Refunding → Is Altman accurate that this is the last time RTC will be asking for money

→

Rep. Istook,

- WHITEWATER → what input if any, did the White House have into your decision this morning to defer to ~~to~~ the special counsel?

  NONE, AND similarly in deciding to refer to OGE.

- BANKING Consolidation:
  WANTS TO KNOW LATEST THINKING ON COMPROMISE WITH THE FED.

- Any request for supplemental appropriations GATT.

Rep Hoyer → STRONG SUPPORT FOR NPR - would like SOME PERFORMANCE STANDARDS...
NEED TO ASSESS INPUTS + OUTPUTS...
SEND THEM TO THE COMMITTEE
will use them to evaluate AGENCIES IN FUTURE.

See ~~Schmidt~~ – 334 - 6157

RTC briefed WH @ Madison + criminal referrals earlier this yr.

Timing / why – what did he do w/ info? Informed as CEO (personal)

[illegible] Rollie ~~but~~ as

passed as ordinary course?

Criminal referrals were coming @ DC.

6 coming from Kan City

[illegible] McDougal + Madi.

— Redacted —

Secty – Talk to Mike McCurry

Had Tx exclusively – Competing now for press ~~attention~~ / Young press corps that's cynical.

Talk to team @ who talks to people re: briefing.

- Redacted -

Redacted

Put title [illegible] IAB?

* Briefing on Small business
where is it working

Sense of strategy to get [illegible]
Committee process
vs./ informal gatherings, [illegible]
Meetings

Job training? – Changing unemployment system

Welfare reform – how much into Earned income tax credit

Redacted

Superfund – Taxes / fees.

Michelle
/ List of evening shows – times
producers for potential trip shows.

Report distribution
CEOs
Media
Cong'l

Organ. Isolater etc.
other Cabinet officials
W.H.

3642A

MARCH 9, 1994

TO: THE RECORD

FROM: HOWARD SCHLOSS

In addition to the physical material I submitted today as requested by the subpoena, I would like to add these conversations that I had concerning this matter. About three weeks ago, after we received an initial press inquiry from ABC News about Mr. Altman's Feb. 2 meeting at the White House, I had a few conversations with the press office at the White House. I made these calls to let them know we received this press inquiry and how Treasury would respond.

I also had a discussion with Steve Katsanos at the RTC about the ABC press inquiry and an edition of the RTC Early Bird.

March 18 - Altman to C.S. Rayne's office
Ellis Woodward

Redacted

the Washington Post Column on Federal employees

- Questions for Leach
- Press release for 11

Room 111 - OEOB - 11 AM

Traci Donnee - ex - Senior Atty - worked in Little Rock
April 1992 - former USA -

Tom Nag -
[redacted] - Jack -
- Oct. 93 - meeting -- in ([redacted] Austin's office)
-James Taylor - page -

- call from a reporter -- inquiring into Whitewater
- wanted to convey this to the White House
- took the matter out of caution - Jean & Josh
- from White House - Nussbaum, Lyndsey (not contact at the time) & Beeman, Cliff Sloan
- Jack told them what he knew about the reporter inquiries - got what to tell the reporter
- Hanson - said some things
- Jack called the reporter and gave the piece of information
- while meeting was a press meeting -
- don't think.. he called the WH -
- Jean - Hanson

- just wanted to be helpful
- the effort to make anything public
- we had the meeting to inform them of these inquiries
- this was a highly public issue & Jack didn't want things to be any misconstrued
- wanted to give people the chance

ABC Brinkley Show
- strictly on health care
- employee alliances

(Jack Smith - Thurs. & Fri.)

— Redacted —

Sue Schmidt -

Colby King - WP - editorials -

- questions that D'Amato
- example - why was Altman accompanied by Jean Hanson -
- criticism of Democrats - to look into this

~~[illegible]~~ Jean Hanson brief - Altman -

- inv. Oct 1 ~~[illegible]~~

the Whitlin Corp.

- Morris Foreman - clearing - Feb. Oct.

- within the proper limits

-

What was the substance of the criminal referral -

- in response to a question if the president was ~~named~~ included as a potential defendant in the criminal referral -
I said it was my understanding he was not
~~but his 1985 campaign~~ was

The real question was if the investigative process compromised -
and the answer is no -

- in hindsight I think the arrest shouldn't have occurred

- Kathleen Drew ABC
Lean

Aram Roston -

- [redacted] Ken Bacon - did any other meetings take place
- what was Jeanne RTC role before Kulka
- about Lean recusal
- Tigert response

- Redacted -

Jean Hanson -- why didn't she didn't speak up -

- Spoke honestly about that [redacted]
- and only became aware of that at a later time

- Treasury officials said that Mr. Altman was eager for a hearing to tell his story -

[redacted] was very careful - letter off

About ethics clearance

Michael Levy --

Dan Inouye --

- Steve Greenhouse - last 12 months -

- Redacted -

John Riley - Newsday 201-
Kevin
Ben Nye
"Julie -

Sue Schmidt -
Adam Zagorin.
Jim Miklaszewski -- NBC - applies to Treasury --
- does the WH Counsel office believe

Ed Knight - redacted redacted

Rebecca

Mike Hedges - redacted

Andy Rosenthal - ~~[illegible]~~ Roger Altman - NYT

Jeff Gerth - - engaged in numerous conversations w/ White House about recusing himself and was under pressure not to do it . . .

Mike Krane -

Tim Russert -

Sam Donaldson & Bob Schieffer - Frank Sesno

Washington

the four networks in - -

Call Lou Dobbs.

Mike Hedges - Wash. Times - redacted

Jeff Gerth -

- Gwen Ifill - ~~[illegible]~~

- lot of discussions - meeting w/ White House officials - the

- initially there was opposition to Roger recusing himself

- Josh and others were aware that he should

they urged him not to do this

- was there was a meeting ?

- did they urge

he did not have long discussion - not anyone not one word

did not inform the White House of your decision

Peter Yost [redacted]

repeat basic - - facts of the letter

call his press person - - on the public record -

no meeting ~~[illegible]~~ [illegible]

the sequence applies to Treasury

[redacted] -

- preserve and protect all documents

- Treasury - will respond

Ann Devroy --

How many people are involved --

Joe Schmidt - [redacted]

Dennis Foreman - is not sensible to do it small piece by
\ designated agency ethics official
Deputy Counsel

collecting the trash & burn bags

not shredders

procedural framework questions in replying to Leach

- Dennis Foreman confirms he cleared

Generic procedural questions about ~~co~~ state

- no ~~substantive~~ Substantive information was sent here or discussed

1. Memo went to the Department
   - produce the relevant
2. take steps to secure all trash and contents of all burnbags
3. ~~W~~ don't use shredders
4. Department and all bureaus - thousands -
5.

- trivial or inconsequential -

g:jobconf.mem

Redacted

Jean Hanson

✓ Bob Cohen - Newsweek - Redacted

[illegible]

Ann Devroy - spoke to Roger Altman

- results of this effort
- match what the WH -

David Wessel

✓ Beth Holmes - [redacted]

Geraldine [redacted] photo of Jean

Julie Cohen [redacted] - Legal Times. some of specifics of what he met not know then

✓ Ken - [redacted]

✓ Jean Gayle - Ann Devroy

exactly what did [illegible] role in making

Sue Schmidt -- Mr. Altman.

-- when he learned of the first criminal referral

RTC was considering

- follow identical procedure
- told them one [illegible] at the
- against them and to send

Redacted [redacted]

- letter of refusal
- when he first time [illegible] - mid-August.

Redacted

3/9/94 10:00pm

DRAFT, 3/9/94 -- 4 minutes

Q: Any question regarding Madison Guaranty Savings and Loan Association.

A: First, let me reiterate that I did not attend any of the meetings between Treasury and White House officials, and I was not informed of any of these. And let me point something out for those of you who haven't read the fine print of the law. I may technically be the Chairman of the RTC Oversight Board, but I am prohibited by a congressional act from getting involved, in any fashion, in the day to day operations of the RTC.

Second, when the extent of the meetings became evident -- although I have every confidence in the officials at Treasury -- I moved immediately to ask the Office of Government Ethics to review what had taken place and let me know if there were ethics problems or conflicts that arose because of these meetings.

And third, I want to give you some idea of how we've cooperated with the Special Counsel in his investigation.

I hesitate to say come look in my basement at Treasury, because someone would probably call me a pack rat. But we've been holding back our trash to the point that I've had to rent a warehouse to hold the overflow. There are 15 investigators going through our files on my floor alone.

And you know these lawyers, they want everything that remotely resembles a document. We had technicians in all day yesterday taking out the computers in the offices of our most senior people. I even told them to take mine. I doubt they'll find much. I do most of my work with an old fashioned Number 2 lead pencil.

We want the truth out, and we're doing everything possible to assist Mr. Fiske in his investigation.

Two more quick points: First, the Treasury Department's Acting Inspector General decided to conduct an investigation after Congressman Wolf asked for one. Treasury's IG is as independent of me as Mr. Fiske is of the White House. He listened to Mr. Fiske, and concluded on his own to let Mr. Fiske conduct his work without any parallel investigation getting in the way.

And second, Mr. Fiske has asked Congress to let him do his job without the possibility that even inadvertently Congress might do something that could jeopardize his work. I agree with him.

Congressman, I served on the Hill for nearly 30 years. I know the importance of congressional oversight. I've seen the institution change, improve, evolve. But I've also seen the desire for instant answers in the glare of lights get in the way of justice. I want the facts out, quickly. You want the facts out, and the American people want the facts out. Congress asked for a Special Counsel. Now there is one. We ought to let him do his job. If, when he's done, the American people don't think he answered all their questions, then Congress can finish asking them.

DRAFT -- March 9, 1994, 4:45 p.m.

Q. Any Question about Madison Guaranty Savings and Loan Association.

A. I am very conscious of the serious concerns raised about Madison-related meetings. I have the utmost confidence in the dedicated public servants at Treasury who attended those meetings, but I understand the concerns about ethics and appearances that have arisen. Accordingly, I directed Treasury staff to work with the Office of Government Ethics to assemble all of the facts and circumstances about these meetings. In this way, OGE can advise me about any ethics or conflicts matters that may arise from these facts.

As you know, there is another, and far more important, fact-finding effort, that of Special Counsel Robert Fiske. Mr. Fiske, a Republican with impeccable prosecutorial credentials, was appointed in response to numerous calls from Republican Congressmen for appointment of a special counsel. It is critically important that he be permitted to do the job for which he was appointed without interference.

Treasury is fully cooperating with Mr. Fiske. The Department and several of its senior officials have been served with subpoenas by Special Counsel Fiske for any and all documents and other materials related to these meetings. Treasury is taking extraordinary steps to ensure full and prompt compliance with the subpoenas.

We hope that the Congress also will cooperate with the Special Counsel's work. As you know, a conviction that was obtained by an independent counsel in the Iran-Contra matter was overturned because of interference that resulted from Congressional hearings. For that reason, I hope that Congress will permit Special Counsel Fiske's investigation to proceed without creating the risk that testimony at Congressional hearings will subvert prosecutions.

The Special Counsel has expressed concern that his work can be jeopardized even if witnesses at Congressional hearings are not granted immunity. Testimony at hearings gives other witnesses the opportunity to tailor their testimony. What the American people want is the truth; they do not want political theatre. I certainly hope that Congress will not jeopardize the Special Counsel's work.

The Special Counsel also has frequently recognized that the potential for parallel investigations to jeopardize his work is real. Treasury's Acting Inspector General had decided to initiate an investigation into Madison-related meetings in response to a request from Congressman Wolf, but the Acting IG, on his own, without talking to me, consulted with Special Counsel Fiske before proceeding. As a result, the IG will not be conducting an investigation. Mr. Fiske has sent letters to the

Chairmen of the Senate Banking Committee and the House Banking Committee asking that congressional hearings not be held on these matters. I understand that the Special Counsel met with Senators D'Amato and Cohen yesterday and reiterated his request that there not be Congressional hearings into Madison matters while the Special Counsel continues his work.

Given all of these circumstances, it would serve no purpose for me to discuss these meetings in any detail today. I am as eager as anyone to get the facts out; in the end, I believe only that will clear the names of Treasury's dedicated public servants. But this is not the time or place.

I believe that permitting the Special Counsel to proceed unimpeded is the most careful and thorough, and fairest way to deal with these issues. In that way, he can collect and organize all the relevant information. Of course, Treasury will cooperate fully with him. Again I want to reiterate my appreciation for the dedication and hard work of Treasury staff. I'm anxious for the Special Counsel to complete his work.

I appreciate your support and understanding in this matter.

DRAFT -- March 8, 1994, 9:30 a.m.

Q. Any Question about Madison Guaranty Savings and Loan Association.

A. I am very conscious of the serious concerns raised about several meetings between present and former Treasury officials and White House staffers concerning matters that have some relationship with Madison Savings and Loan Association. As I've said before, I did not attend any of these meetings. I have the highest regard for the integrity of the hard-working public servants who attended the meetings.

Nevertheless, I understand the concerns about ethics and appearances that have arisen. Accordingly, I directed Treasury staff to work with the Office of Government Ethics to assemble all of the facts and circumstances about these meetings. In this way, OGE can advise me about any ethics or conflicts matters that may arise from these facts. This fact-finding effort is currently far from complete.

As you know, last Friday, March 4, Treasury and several senior officials were served with subpoenas by Special Counsel Robert Fiske for any and all documents and other materials related to these meetings. The subpoenas directed that responsive documents be produced on March 10 and that several individuals testify before a grand jury on the same date. We are taking extraordinary steps at the Department to ensure full and prompt compliance with the subpoenas. The Department's Executive Secretary directed the identification, collection and preservation of all documents and other material responsive to the subpoena. In addition, Treasury staff has been instructed not to shred or otherwise destroy any documents, regardless of the subject matter, until the Department has complied fully with the subpoena.

I understand that Special Counsel Fiske yesterday asked the Acting Inspector General of the Treasury Department not to undertake an IG investigation of these meetings that was requested last week by Congressman Frank Wolf. I also understand that Special Counsel Fiske has sent letters to Senator Riegle, Chairman of the Senate Banking Committee, and Representative Gonzalez, Chairman of the House Banking Committee, requesting that congressional hearings not be held on these matters. Further, I understand that OGE has requested a meeting with Special Counsel attorneys to discuss the OGE review of these meetings.

Given all of these circumstances, it would serve no purpose for me to discuss these meetings in any detail today. This is not the time or place. Nor have I gathered the facts regarding these meetings. As Chairman of the Thrift Depositor Protection Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC. ~~I am anxious for the OGE report on the facts and circumstances to be provided to me as expeditiously as possible. Based upon this or any other authoritative report, I will be happy to go on the record and discuss these meetings.~~

I believe that this is the most careful and thorough, and fairest way to deal with these issues. It ensures that Special Counsel Fiske and OGE have the unimpeded opportunity to collect and organize all the relevant information. Of course, Treasury will cooperate fully with OGE and Special Counsel Fiske. Again I want to reiterate my appreciation for the dedication and hard work of Treasury staff. I'm anxious for OGE to complete its work and look forward to receiving their advice.

I appreciate your support and understanding in this matter.

EXECUTIVE SECRETARIAT CORRESPONDENCE PROFILE

PROFILE #: 94-131497 CREATE DATE: 03/08/94

ADDRESSEE: Bentsen, Lloyd M.
Secretary

AUTHOR: Ley, Jane S.
Office Of Gov Ethics

SUBJECT: CC Of Ltr To Independent Counsel Re WH/Treasury Meeting

ABSTRACT: CC of letter to Robert B. Fiske, Independent Counsel, requesting a meeting to discuss the meeting of White House and Treasury officials.

DISTRIBUTION:
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GENERAL COUNSEL
LEGISLATIVE AFFAIRS
EXEC SEC
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OTHER DISTRIBUTION: Ben Nye

94-131497

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

March 7, 1994

Robert B. Fiske, Jr.
Independent Counsel
Suite 490 N
1001 Pennsylvania Avenue, NW.
Washington, DC 20004

Dear Mr. Fiske:

This Office received a letter dated March 3, 1994, from Lloyd Bentsen, Secretary of the Treasury, asking for our views regarding certain actions that may have been taken by members of his staff. We earlier received a letter dated March 1, 1994, from Representative James Leach, Ranking Member of the Committee on Banking, Finance and Urban Affairs, requesting our review and advice as to whether a meeting between three White House officials and Roger Altman, Interim CEO of the Resolution Trust Corporation and Deputy Secretary of the Treasury, "violated any guidelines of government ethics, regulations, or law." Copies of both letters are enclosed for your information.

Because media reports have indicated your office has issued subpoenas to certain Treasury and White House officials, we would like to meet with you and/or representatives of your office before proceeding in any fashion with respect to these two requests. I am being assisted by Stuart Rick, Associate General Counsel, in this matter. We can both be reached at (202) 523-5377.

Sincerely,

Jane S. Ley

Jane S. Ley
Deputy General Counsel

Enclosures

cc: ✓The Honorable Lloyd Bentsen
Secretary of the Treasury

The Honorable James Leach
U.S. House of Representatives

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

March 4, 1994

MEMORANDUM FOR SECRETARY BENTSEN
DEPUTY SECRETARY ALTMAN
UNDER SECRETARIES
ASSISTANT SECRETARIES
GENERAL COUNSEL

FROM: EDWARD S. KNIGHT Edward S. Knight
EXECUTIVE SECRETARY AND SENIOR ADVISOR
TO THE SECRETARY

SUBJECT: Preservation and Production of Documents and/or Communications

Please immediately preserve and produce any and all documents, and/or communications referring or relating to any contacts, meetings or conversations about or regarding Madison Guaranty Savings & Loan, its subsidiaries or affiliates, held between or among 1) any member of the White House staff or the staff of Hillary Rodham Clinton, including but not limited to Lisa Caputo, Mark Gearan, Harold Ickes, Bruce Lindsey, Bernard Nussbaum or Margaret Williams; and 2) any official or employee of the Department of the Treasury or the Resolution Trust Corporation, including but not limited to Roger Altman, Jack DeVore, Jean Hanson or Joshua Steiner. This includes, but is not limited to any documents and/or communications:

1. referring or relating to the arrangement, existence, substance or circumstances of any such meetings or conversations;

2. discussed or referred to in any such meetings or conversations;

3. exchanged between any member of the White House staff or the staff of Hillary Rodham Clinton, and any official or employee of the Department of the Treasury or the Resolution Trust Corporation at or in connection with any such meetings or conversations;

4. constituting notes taken at or referring to any such meetings or conversations;

5. summarizing, documenting or referring to all or any part of any such meetings or conversations.

Also, please immediately preserve and produce any and all documents and/or communications referring or relating to any criminal referrals made by the Resolution Trust Corporation about or regarding Madison Guaranty Savings & Loan, its subsidiaries or affiliates.

These documents must be brought to my office in Room 3408 Main Treasury no later than 3:00 p.m. on Wednesday, March 9, 1994.

If you have any questions concerning the above please call me at 622-0027.

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

March 3, 1994

Mr. Stephen D. Potts
Director
Office of Government Ethics
1201 New York Avenue, N.W.
Washington, D.C. 20005-3917

Dear Mr. Potts:

I am writing with respect to several meetings between Treasury and White House officials relating to the Resolution Trust Corporation and its resolution of Madison Guaranty Savings and Loan Association. One of these meetings was discussed in testimony before the Senate Committee on Banking, Housing and Urban Affairs on February 24, 1994; other meetings in the fall of 1993 were the subject of an article in *The Washington Post* of March 3, 1994.

I would appreciate your views as to any ethics or conflicts issues that may be raised by the facts and circumstances surrounding these discussions. I have directed my staff to cooperate fully with you in assembling these facts and circumstances.

Your prompt attention to this matter would be greatly appreciated. Please contact Dennis I. Foreman, Treasury's Designated Agency Ethics Official at 622-0283, who will assist in making whatever arrangements you deem necessary to undertake and complete this review.

Sincerely,

Lloyd Bentsen

Lloyd Bentsen

DRAFT

Q. The White House has stated that there was nothing wrong with Treasury officials meeting with White House officials on Madison Guaranty Savings and Loan. Why is it then that you have requested an investigation of these meetings? Doesn't this suggest that Treasury officials did something wrong?

A. I have full confidence in the professionalism and integrity of the Treasury officials involved in these meetings. I have simply asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues. I don't consider this an investigation, but you can call it what you want.

Given the partisan treatment these meetings have been given, and the suggestion by certain Congressional members that these meetings violated some rule or standard of ethical conduct, I think it is important that these meetings be examined to determine if something wrong was done. The public deserves no less. (If I had not requested OGE to look at these meetings, I suspect someone today would ask why I had not done so.)

DRAFT

Q. The White House said last Thursday that it didn't know in advance that you were asking OGE to investigate these meetings. Why?

A. My concern is with the actions taken by Treasury officials with respect to these meetings. That is why I asked OGE to review the meetings. I see no need to involve the White House in how Treasury handles questions concerning the conduct of Treasury officials.

DRAFT

Q. Why didn't the White House ask OGE to investigate these meetings?

A. I understand that the White House has indicated that it will fully cooperate with the OGE review.

(Source: White House spokeswoman Dee Dee Myers quoted in the Wall Street Journal (3/4/94): "We'll cooperate fully with the special counsel and the [ethics office].")

DRAFT

Q. Why the Office of Government Ethics? Why isn't Treasury conducting its own investigation.

A. OGE is an independent office charged with overseeing the standards of conduct applicable to Executive branch employees. I can't think of a better office to determine whether these meetings raise any ethics or conflicts issues.

DRAFT

Q. Why didn't you ask Treasury's IG or the President's Council on Integrity and Efficiency or the Independent Counsel to conduct this investigation?

A. IGs and the PCIE generally look at issues involving waste, fraud and abuse, which are not at issue here. What is at issue is whether the meetings raise ethics or conflicts issues.

DRAFT

Q. Why didn't you refer this matter to the Independent Counsel?

The independent counsel is looking at civil and criminal violations of law in connection with Madison Guaranty. I am not aware of any suggestion that these meetings involved a violation of the law. The independent counsel's investigation, I am told, is expected to take some time. My desire is that this matter be looked at as quickly as possible, and I have asked OGE to do so.

DRAFT

Q. The Washington Post reported that the RTC has a policy on the confidentiality of investigations and criminal referrals that would make any release of such information improper. Don't these meetings violate that policy?

A. I would expect that would be an issue which OGE will examine.

DRAFT

Q. **When did you first learn about these meetings?**

A. ?????

DRAFT

Q. When did Treasury's ethics officials first learn of these meetings? Did they approve the meetings?

A. Treasury's ethics official learned about the February meeting before it occurred and did not object to it.

DRAFT

Q. What was said in these meetings?

A. As I have said before, rather than conduct my own fact-finding on this matter, I have asked Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

DRAFT

Q. **How come you didn't know about these meetings in advance? Would you have approved them?**

Statutory bar. ~~No reason~~ I would not have known.

A. **Deputy Secretary Altman and General Counsel Hanson are senior officials with substantial responsibilities. They do not, and I do not expect them to, advise me of every meeting they attend, even when those meetings are at the White House.**

Would I have approved the meetings had I known of them in advance? I am not going to deal in hypotheticals, but as President Clinton has said, in retrospect it would have been best for all concerned if these meetings had not taken place.

No PAGE
3681
Yam

DRAFT

Q. Will you make OGE's report public?

A. Yes.

DRAFT

[If the CNN reported rumor that Mr. Nussbaum will resign is confirmed--

Q. The White House Counsel has resigned as a result of these meetings. Shouldn't Treasury's Deputy Secretary and General Counsel -- who participated in these meetings -- also resign?

I can't say why Mr. Nussbaum resigned -- that is something for him to say. I see no reason for either Deputy Secretary Altman or General Counsel Hanson to resign. As I said last Thursday, they have my full confidence. I have asked the OGE to review the facts and circumstances surrounding this matter and report back to me.]

chance to question, so we will go back and forth.

Senator Domenici. Well, go ahead. Are you going to keep it brief, Senator, and short?

Senator Gramm. No.

(Laughter.)

The Chairman. Senator Gramm.

Senator Gramm. Let me begin. I have just got a simple question that I want to ask of most of the members of the panel, and let me just read it.

Mr. Altman, I want to ask you first.

Have you or any member of your staff had any communication with the President, the First Lady, or any of their representatives including their legal counsel, or any member of their White House staff, concerning Whitewater or the Madison Savings & Loan?

Mr. Altman. I have had one substantive contact with White House staff, and I want to tell you about it.

Senator Gramm. Let me, if I may, just given that 'yes,' I would like to know what the substance of the communication was, when it occurred, who initiated it, and what you were asked to do.

Mr. Altman. First of all, I initiated it.

About three weeks ago, Jean Hansen, who is Treasury's General Counsel, and I requested a meeting with Mr. Nussbaum--he is the White House Counsel.

The purpose of that meeting was to describe the procedural reasons for the--the procedural reasons for the then-impending--then-impending--February 28th deadline as far as the then-statute of limitations was concerned.

I am sure you know that that statute of limitations has subsequently been retroactively reinstated for certain types of civil claims.

And we explained the process which the RTC would follow in reaching a decision before that February 8th[sic] deadline; that it would be exactly identical to procedures used in any other case, any other PLS case, and that the RTC fundamentally would come to a conclusion as to whether or not there existed the basis for a claim, or whether there did not.

And in the event a basis for a claim existed, then it would pursue either a tolling agreement--which is the equivalent of a voluntary extension of the statute of limitations from the parties at interest--or it would file that claim in court.

~~That was the whole conversation. I was asked one question. That question was whether we intended to provide the same briefing to attorneys for the parties at interest.~~

~~I said, I assume so.~~

~~I went back. Joan Hansen checked with the RTC General Counsel. The answer was: In due course.~~

I said, fine, that was it.

I have not had any contact with the President of the United States or the First Lady on any matter like this.

Senator Gramm. If I may, let me pose the same question to Mr. Hove.

Have your or any member of your staff had any communication--

The Chairman. Mr. Hove, let me just--I do not know if you know this question is being addressed to you.

Senator Gramm. Have you or any member of your staff had any communication with the President, with the First Lady, with their representatives, including legal counsel, with members of their White House staff, concerning Whitewater or Madison Savings & Loan?

Mr. Hove. Our Director of the Office of Communications at the FDIC had received a call from a press person at the White House after the second article appeared in The Chicago Tribune regarding the First American issue.

They asked, did we have any statement? And the response given to the White House was, no, we did not have any statement.

Senator Gramm. So they were asking you to respond to the press statement?

Mr. Hove. It was Mrs. Clinton's attorney.

Senator Gramm. Mrs. Clinton's attorney called to: Howard - Here's what Ken wants --

room: ________ date: ________

Department of the Treasury

Office of Public Affairs

Washington, D.C. 20220

862-9234

✓

[illegible] 9/24

Is it true that...

① Jean talked to N in late September?

② ... Hansen, Steiner, DeVorenet w/ BN, BL, MG in Oct?

③ ... that the triggering event for these meetings was the RTC's criminal referral to the Justice Dept? [illegible]

④ At either mtg was the criminal referral ~~Ken [illegible]~~

⑤ Will there be any dsplny action agnst any of these fol.?

Chris Peacock
Director, Public Affairs

room 2315
phone 622-2960

March 3, 1994

(Draft) Statement: Secretary Lloyd Bentsen

I only learned of the meetings ~~yesterday~~. As Chairman of the RTC Oversight Board, I am statutorily barred from any involvement in any case before the RTC. In retrospect, given their appearance, I wish these meetings had not occurred.

I have instructed the Department to have no future contacts with the White House about this case.

I did not attend any of these meetings nor was I informed of any of these meetings.

I have instructed Treasury officials to have no contact with the White House on this case.

I have confidence in the Treasury officials that it was not to intervene in the action only to report [illegible] the [illegible] I have instructed the matter be referred to the Office of Government Ethics for a thorough review.

The conversation took place in anticipation of press inquiries. I knew that the referrals were on their way to the Justice Department and expected that press inquiries would be forthcoming quickly. (In fact, I was told within days thereafter that a reporter had the story.)

The information was conveyed, lawyer to lawyer, to apprise Mr. Nussbaum, in his capacity as the senior lawyer for the Administration, that he could expect to receive press inquiries on an issue that could affect the Office of the President.

The conversation was in no way intended to have any impact on the process of the RTC and, in fact, it did not.

DONALD W. RIEGLE JR. MICHIGAN, CHAIRMAN

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STEVEN B. HARRIS, STAFF DIRECTOR AND CHIEF COUNSEL
HOWARD A. MENELL, REPUBLICAN STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

March 2, 1994

The Honorable George J. Mitchell
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

We are writing to inform you that we will object to any agreement seeking consent to proceed to the nomination of Ricki R. Tigert, President Clinton's nominee to chair the Federal Deposit Insurance Corporation, until the Senate Banking Committee has an opportunity to thoroughly examine the Resolution Trust Corporation's handling of its civil investigation into Madison Guaranty Savings and Loan.

As you know, the Acting Chief Executive Officer of the RTC, Roger Altman, recently disclosed that he sought a meeting with White House officials to give them a "heads-up" on the RTC's investigation. Needless to say, such a meeting is highly improper and raises very real questions about Mr. Altman's impartiality and the alleged independence of the investigation. Specifically, why were Harold Ickes and Margaret Williams present, in addition to White House Counsel Bernard Nussbaum? According to the Washington Post, Mr. Ickes the Deputy Chief of Staff, is responsible for Whitewater "damage control". Ms. Williams, Chief of Staff for Mrs. Clinton, had previously participated with Mr Nussbaum in searching Vincent Foster's office and sending all or some of the materials to David Kendall of Williams and Connally who is representing the President and Mrs. Clinton.

We believe public hearings are required to explore these and other questions involving the attendance of political operatives at the White House in briefings by the head of a supposedly independent agency on matters that have nothing to do with the Executive Office of the President.

We regret having to delay the Senate's consideration of Ms. Tigert's nomination. Nevertheless, the American people deserve to have confidence that the RTC conducts its important business in an independent and impartial fashion. A Congressional hearing is an appropriate forum in which to examine the important ethical and regulatory issues raised by the Altman-White House meeting.

Sincerely,

Bob Dole

NEWS U.S. SENATOR FOR KANSAS

FROM: SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE
Monday, February 28, 1994

CONTACT: CLARKSON HINE
(202) 224-5358

ALTMAN CONFLICT

Altman's Whitewater-Madison Revelation Underscores Need for Congressional Hearings

Imagine this: Ronald Reagan, as Governor of California, becomes a 50-50 partner in a real estate deal with the owner of a California savings and loan. The S&L goes under, is seized by federal regulators, and a series of criminal and civil investigations are initiated by federal regulators.

Governor Reagan becomes President Reagan. He appoints a close personal friend and top campaign official, Jim Baker, to head the independent agency charged with overseeing the S&L industry and with bringing civil and criminal actions against S&L wrongdoers.

Press reports suggest that the President may be indirectly implicated in a civil suit brought against the California S&L by the supposedly independent federal agency. As the expiration date for the civil statute of limitations approaches, Mr. Baker meets at the White House with Ed Meese, Mike Deaver, and other White House political officials to discuss "the status" of the agency's investigation. The White House meeting is shrouded in secrecy, only to be revealed weeks later because of congressional prodding.

Of course, this is all fiction. But, it's fair to say that if these events had indeed occurred during the Reagan administration, the expressions of outrage in the press, and the clamor for congressional hearings, would have shot off the political Richter scale.

The Altman Conflict & Belated Recusal

Last Thursday, Roger Altman, a college classmate of President Clinton and the acting C.E.O of the supposedly independent Resolution Trust Corporation, revealed for the first time that he sought out a meeting with White House officials, allegedly to offer a "heads up" on the so-called Madison Guaranty statute of limitations issue. According to Mr. Altman's own account, he didn't even seek a meeting with David Kendall, President Clinton's personal attorney, but rather with White House "political" officials--Bernard Nussbaum, Harold Ickes, and Margaret Williams, the Chief of Staff for the First Lady.

With the exception of the New York Times and the Washington Times, and today the Washington Post, the press reaction to the Altman revelation--and the glaring conflict of interest it describes--has been muted at best. In fact, USA Today reported that the Altman meeting was "minor" and there was probably "nothing improper" about it. Apparently, Mr. Altman didn't buy into this benign description, since he finally recused himself from the Madison matter last Friday. ✓

Need for Hearings

Mr. Altman's shocking revelation underscores the need for full congressional hearings on the Madison-Whitewater affair. As the New York Times editorialized yesterday: "Senator Donald Riegle, the Chairman of the Senate Banking Committee, needs to step up his Committee's oversight activities....Opposition leaders are right when they say that a Republican White House that so recklessly meddled in the Justice Department, the R.T.C. and other agencies would be shelled with endless congressional investigations." Unquote.

The bottom line is: the American people now know about Mr. Altman's unseemly meeting with White House officials precisely because Banking Committee Republicans used the opportunity of an R.T.C. oversight hearing to ask Madison-related questions. If there had been no hearing, it's unlikely this information would have surfaced anytime soon. And it's clear that Mr. Altman recused himself only because of the negative publicity his meeting inspired.

Other Questions

The Altman revelation also raises other important questions: did Mr. Altman have any contacts with the FDIC while the FDIC's legal division was preparing its "conflicts-of-interest" opinion regarding the Rose law firm? If so, what were the nature of these contacts? Has Mr. Altman had any discussions with Webster Hubbell, a former partner of the Rose law firm and now Associate Attorney General, regarding the RTC's criminal referrals on Madison and the RTC's pending civil investigation? And has Mr. Hubbell himself had any contacts with officials at the FDIC, the RTC, or the White House about any element of the Madison-Whitewater affair?

Why did White House Counsel Bernard Nussbaum meet with Mr. Altman in the first place? Surely, he was aware of the impropriety of such a meeting. Has Mr. Nussbaum been in touch with the RTC, the FDIC, or the Justice Department about Madison-Whitewater?

You know you're heading in the right direction when tough questions are responded to not with substantive answers, but with personal attacks. Unfortunately, David Wilhelm, the Chairman of the Democratic National Committee, took this low-road approach when he fired off a letter last Friday personally attacking the integrity of Senator D'Amato, the ranking member of the Senate Banking Committee.

If Mr. Wilhelm believes these bullying tactics will somehow intimidate congressional Republicans, I have some bad news for him: they won't. We will continue to ask the tough questions until the American people get the full accounting of Whitewater that they deserve.

###

got a call telling me

- he hadn't heard about this since the election
- wanted to let the White House know about this
- why did we have a meeting
- maybe one of Nussbaum's ass't
- told him about the referral, is a leak -
- can't remember who called the meeting
- Rep. call on Monday - and the referrals were made on Friday
- clear I didn't tell them anything I didn't know -

March 9, 1994

Joan Logue-Kinder's responses to Questions from the Senate Finance Committee re Her Nomination

Question 1:

See attached completed copy of 1992 Income Tax Return

Question 2:

I was a full time employee of the National Black Network and worked as a consultant for them with the World Institute of Black Communications.

Question 3:

The condo is owned jointly by my husband and myself and it is referenced on my income tax (see Part II). The property is still owned and it is the smaller of the mortgages listed. Corrected copy of financial statement (Schedule C) is attached.

Question 4:

"Daniel J Ed" refers to Daniel J. Edelman, my employer during 1991 and 1992.

Question 5:

I do not have any conflicts of interest. The purpose of the letter was to preclude any questions.

Question 6:

My husband is no longer employed by Pryor, McClendon and Counts, a public finance firm. He is now a vice president, government relations for American Biodyne. The company provides managed mental health care and care for substance abuse.

Question 7:

I was not at all involved in any of the meetings between Treasury and White House staff on Whitewater. In today's Washington Post it was reported that I referred Steve Katsanos to Lisa Caputo at the White House. I do not recall this conversation but if we do not have answers to press inquiries, it is common procedure to go to the source for information and verification.

Question 8:

All taxes with regard to household help have been paid.

3704A

1789

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

February 18, 1994

MEMORANDUM FOR MACK McLARTY, THE WHITE HOUSE

REDACTED

KEY DEPARTMENT NEWS

Possible Treasury-related topics for press coverage include:

- RTC's handling of Madison Guaranty

REDACTED

THE WEEK AHEAD

RTC's Handling of Madison Guaranty: Along with the other members of the RTC's Oversight Board (Roger Altman in his capacity as acting head of the RTC, Acting OTS Director Jonathan Fiechter, FDIC Chairman Skip Hove, and Fed Chairman Alan Greenspan), I will appear before the Senate Banking Committee for the required annual Congressional hearings. Republican members have pointed out that the annual hearing did not occur last year and have been pressing to hold it as soon as possible in order to use it as a forum to publicize their allegations on Whitewater and Madison Guaranty.

REDACTED

CONGRESS

Republican Inquiry into Foster Suicide: Representative William F. Clinger, Ranking Republican on the House Committee on Government Operations, has requested copies of all documents on file at the Treasury Department regarding Vince Foster's death be turned over by noon, Monday, February 21. ATF's ballistics tests on the gun used are believed to be his primary goal. Ron Noble, Assistant Secretary for Enforcement, has discussed the ballistics tests with Independent Counsel Robert Fiske to ensure that the Department does nothing that might interfere with his investigation. Fiske is considering the matter, and Treasury will comply with his decision regarding whether releasing the material to Clinger would hamper his investigation.

REDACTED

REDACTED

[illegible]

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

3741

November 18, 1993

MEMORANDUM FOR MACK McLARTY, THE WHITE HOUSE

REDACTED

REDACTED

reiterated the concerns incorporated in his letter, specifically requesting further investigation into the practices and operations of the Dallas PLS office.

Madison Guaranty Savings and Loan: Banking Committee Chairman Henry Gonzalez is gearing up for a full-scale investigation of alleged improprieties in the management and resolution of Madison Guaranty Savings and Loan in Arkansas. According to Banking Committee investigators, the Committee will soon demand access to all records regarding Madison from the RTC, the FDIC and the Office of Thrift Supervision (OTS) in conjunction with planned hearings.

Committee investigators have also intimated that the Committee stands prepared to invoke subpoena power in accessing all Department of Justice records and files on Madison. The focus of Committee resources on Madison will preclude the Committee's prior plans to aggressively explore regulatory exclusions and their potential impact on the industry.

REDACTED

RESTRICTED

Returned

REDACTED

REDACTED

REDACTED

3749

REDACTED

2282

DEPARTMENT OF THE TREASURY
WASHINGTON

94-131410

March 4, 1994

MEMORANDUM FOR SECRETARY BENTSEN

FROM: Joshua L. Steiner JLS

SUBJECT: Weekly report

Attached is your weekly report for White House Chief of Staff Mack McLarty for the week of March 6.

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

January 27, 1994

MEMORANDUM FOR MACK McLARTY, THE WHITE HOUSE

FROM: Lloyd Bentsen

SUBJECT: Weekly Report for the week of January 30, 1994

redacted

redacted

Redacted

redacted

[redacted]

D. Controversy

Madison Guaranty: The Office of Thrift Supervision has received four requests under the Freedom of Information Act for documents pertaining to Madison Guaranty Savings & Loan. OTS's Director of Information Services, a resident expert on FOIA, is in Dallas reviewing OTS's considerable accumulation of related documents. In addition, Congressman Jim Leach has requested staff access to related documents.

[redacted]

94-130384

94-1

DEPARTMENT OF THE TREASURY
WASHINGTON

February 4, 1994

MEMORANDUM FOR SECRETARY BENTSEN

FROM: Joshua L. Steiner

SUBJECT: Weekly report

Attached is your weekly report for White House Chief of Staff McLarty for the week of February 6.

3772

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

February 4, 1994

MEMORANDUM FOR MACK McLARTY, THE WHITE HOUSE

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FDIC: The Senate Banking Committee held a hearing on Ricki Tigert's confirmation on February 1, 1994. During the hearing Senator Faircloth asked Ms. Tigert about her relationship with the Clintons and what her role would be in the investigation of the Whitewater/Madison Guaranty issue.

D. Controversy

Madison Guaranty: Officials from the Office of Thrift Supervision met on January 25 with Senate Banking Committee staff to discuss Congressman Leach's request for access to OTS records on Madison Guaranty.

Redacted

2314

DEPARTMENT OF THE TREASURY
WASHINGTON

February 24, 1994

MEMORANDUM FOR CHRISTINE VARNEY

FROM: Joshua L. Steiner

SUBJECT: Weekly Report

Attached is our weekly report for the week of February 27. I'm faxing a copy now and a hard copy is coming tomorrow.

Attachment

cc: Ed Knight

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

February 24, 1994

MEMORANDUM FOR MACK McLARTY, THE WHITE HOUSE

2318

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E. Controversy

Whitewater/Madison Guaranty: In my capacity as Chairman of the RTC's Oversight Board, I joined Deputy Secretary Altman (interim RTC CEO) and the other board members today to testify before the Senate Banking Committee for their semi-annual RTC hearing. Committee Republicans seized the opportunity to focus attention upon Madison Guaranty and Whitewater.

The House Banking Committee has yet to schedule a date for its hearing at which both Roger Altman and I will testify.

3792

MEMORANDUM

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

To: EDWARD S. KNIGHT, EXECUTIVE SECRETARY

From: EUGENE A. LUDWIG, COMPTROLLER OF THE CURRENCY

Date: March 11, 1994

Subject: GRAND JURY SUBPOENA

As indicated in my March 10, 1994 memorandum to you, I have directed the OCC's Chief Counsel's Office to conduct a thorough review of all OCC records for any document or communication which may be responsive to the Grand Jury Subpoena to the Department of the Treasury from the Office of the Independent Counsel. The Chief Counsel's Office was already conducting a review pursuant to a request for information made by Senator Bond during the recent Senate Banking Committee hearings concerning the Administration's banking agency consolidation proposal: Senator Bond's inquiry was whether I or any member of my staff had discussed the consolidation proposal with any member of the White House staff and, if so, whether questions relating to Worthen Banking Corporation, Worthen Bank of Little Rock, Worthen Financial, Madison Guaranty Savings and Loan or Whitewater were ever raised. The Chief Counsel's Office review is now complete, and the information in this memorandum is based on that review and my own best recollection.

Enclosed are copies of my daily meeting schedules, my telephone logs, both incoming and outgoing, and a summary sheet indicating calls between myself and the White House staff, from February 1993 to the present. I am supplying these records of meetings and calls to be as fully responsive to the subpoena as possible.

Although I am certain that the Whitewater matter was mentioned in a number of meetings and calls referred to in these materials, to the best of my recollection it was mentioned only in passing or in generalities, except as described below. Similarly, Whitewater was mentioned in passing in a number of informal conversations and on social occasions in which I participated with various members of the White House staff which are not reflected in the enclosed official meeting schedules and telephone logs. The only occasions on which Whitewater was discussed other than in passing or in generalities are also discussed below. To the best of my knowledge, no information was exchanged by me or by the White House except a passing reference to public information.

3796

I can only recollect two discussions in which the subject of Whitewater or Madison Guaranty was mentioned other than in passing. On the first occasion, during the Renaissance Weekend gathering that took place at Hilton Head, South Carolina over the most recent New Year holidays, the President asked me whether it would be permissible for me, as a lawyer knowledgeable about banking law, to provide advice and counsel on any of the legal/regulatory issues relative to the Whitewater matter. Beyond asking this question, the only information I recollect that he imparted to me was that he had done nothing wrong, and moreover had lost money in the transaction.

Prior to discussing the matter with the President, I sought the advice of the White House Counsel's Office and others regarding the permissibility of discussing Whitewater with the President. I spoke with Treasury General Counsel Jean Hanson and White House Counsel Bill Kennedy and Joel Klein. If my memory serves me correctly, I might have spoken with Joshua Steiner or others briefly, trying to track down Ms. Hanson or the White House since this was a holiday weekend. I told them that I was not certain whether to discuss the matter with the President, and knew very little about the matter or the White House response to it. Based on the advice I obtained, I determined that it would be impermissible for me to discuss the matter with the President or the First Lady. Accordingly, we did not discuss the matter.

The other occasion occurred on January 19, 1994, when I contacted Margaret Williams of the White House staff and offered my own unsolicited view that the White House should promptly provide full public disclosure of all materials associated with Whitewater, if that had not already been done. I also said that I thought they should devote one full-time lawyer and/or other full-time staff to the matter because of the great public visibility it was getting. Otherwise, we did not exchange any information.

As part of the Chief Counsel's Office review, we also interviewed other OCC staff members and had them review their meeting schedules and telephone logs. As a result of that review, a number of references to routine meetings and other contacts with various members of the White House or Treasury staffs have also been identified. Because none of my staff members can recall any substantive conversations about Whitewater with anyone from the White House or Treasury, I am not enclosing any of these schedules or logs.

The only other documents we have found that are responsive to the inquiry are the copies of FOIA requests from The Baltimore Sun and The Washington Post to the FDIC requesting documents concerning Madison Guaranty Savings and Loan. Both letters were sent to me as a courtesy by the FDIC, after I was assured that they were public documents. I forwarded these letters for information only to Messrs. Bruce Lindsey and David Dreyer at the White House and Messrs. Frank Newman and Joshua Steiner at the Treasury Department.

As you know, as Comptroller of the Currency I am an ex officio member of the board of directors of the FDIC. As part of his review, my Chief Counsel's Office has reviewed whether or not any matters or non-public information relating to Whitewater came before the FDIC board or were otherwise brought to my attention during my tenure, and has confirmed they did not. Likewise, as Comptroller of the Currency and FDIC board member I have no responsibility for any matters which may have come before the Office of Thrift Supervision or the Resolution Trust Corporation. To the best of our knowledge, there was no contact between me or any member of my staff on any Whitewater-related matters which may have been pending before those organizations.

As previously indicated, neither my staff nor I have destroyed or otherwise disposed of any document or communication which may be responsive to the subpoena since receiving your March 7 and 9, 1994 memoranda.

My staff and I understand that we have a continuing obligation to preserve any document or communication found or created which may be responsive to the subpoena, and we understand that we have a continuing obligation to inform you if any such document or communication is found or created. Accordingly, we will provide a copy of our response to Senator Bond's inquiry and any other document or communications which may be responsive to the subpoena, as soon as possible.

I would be pleased to provide any additional information I can concerning any of the above to the Office of the Independent Counsel. Please contact William P. Bowden, Jr. the OCC's Chief Counsel, if we may be of any further assistance.

Eugene A. Ludwig
Comptroller of the Currency

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Talk [illegible]

+ [illegible]

David Dreyer

Bruce Lindsey

Pat [illegible]

+ Josh Steiner

[illegible]

[illegible]

MEMORANDUM

NSMISSION REQUEST

DATE 12-2-93

TO

NAME Bruce Lindsey

COMPANY White House

DEPT/MAIL STOP

CITY

OFFICE PHONE 456-2668

FAX PHONE 456-2883

FROM

NAME Eugene A. Ludwig

PHONE 874-4900

OCC FAX: 202-874-4950

Additional addresses or other information:

CONTACT PERSON: Rita Johnson

PHONE NUMBER: 874-4900

SENDER, PLEASE CHOOSE ONE OF THE FOLLOWING:

___ Return originals to contact person
[✓ Will pick up originals]
___ Destroy originals

REV.11:88

NO STAPLES, PLEASE

MEMORANDUM

Comptroller of the Currency
Administrator of National Banks

Washington, D.C. 20219

FACSIMILE TRANSMISSION REQUEST

NO. OF PAGES: COVER + 3

DATE 12-2-93

TO

NAME David Drever

COMPANY White House

DEPT/MAIL STOP

CITY

OFFICE PHONE 456-7151

FAX PHONE 456-6485

FROM

NAME Eugene A. Ludwig

PHONE 874-4900

OCC FAX: 202-874-4950

Additional addresses or other information:

CONTACT PERSON: Rita Johnson

PHONE NUMBER: 874-4900

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3800

REV. 11/88

NO STAPLES, PLEASE

MEMORANDUM

Comptroller of the Currency
Administrator of National Banks

Washington, D.C. 20219

FACSIMILE TRANSMISSION REQUEST

NO. OF PAGES: COVER + 3

DATE 12-2-93

TO

NAME Frank Newman

COMPANY Treasury

DEPT/MAIL STOP

CITY

OFFICE PHONE 622-2800

FAX PHONE 622-0387

FROM

NAME Eugene A. Ludwig

PHONE 874-4900

OCC FAX: 202-874-4950

Additional addresses or other information:

CONTACT PERSON: Rita Johnson

PHONE NUMBER: 874-4900

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REV 11-85

NO STAPLES, PLEASE

MEMORANDUM

Comptroller of the Currency
Administrator of National Banks

Washington, D.C. 20219

FACSIMILE TRANSMISSION REQUEST

NO. OF PAGES: COVER + 3

DATE 12-2-93

TO

NAME Joshua Steiner

COMPANY Treasury

DEPT/MAIL STOP

CITY

OFFICE PHONE 622-0016

FAX PHONE 622-0404

FROM

NAME Eugene A. Ludwig

PHONE 874-4900

OCC FAX: 202-874-4950

Additional addresses or other information:

CONTACT PERSON: Rita Johnson

PHONE NUMBER: 874-4900

SENDER, PLEASE CHOOSE ONE OF THE FOLLOWING:

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☐ Will pick up originals
☐ Destroy originals

REV. 11/85

THE BALTIMORE SUN

Washington Bureau
1627 K Street NW
Suite 1100,
Washington, DC 20006-1792
(202) 452-8250

November 30, 1993

11/30 tc w/ Ⓡ request is limited to the categories of doc's listed. I also advised her the exam reports are exempt.

Hoyle Robinson, Executive Secretary
Federal Deposit Insurance Corp.
550 17th St. NW 20429

Dear Mr. Robinson,

Pursuant to the federal Freedom of Information Act, I request access to and copies of ~~all~~ the following documents related to the now-defunct Madison Guaranty Savings and Loan of Arkansas including, ~~but not limited to:~~

--the government's examinations of Madison between 1981 and 1986 and its reports;

--correspondence between regulators and lawyers at the Rose Law Firm of Little Rock, Ark., concerning Madison, and any memoranda to, from or about the Rose Law Firm and/or its partners;

--the FDIC's 1989 lawsuit against, and subsequent settlement with, Madison's accountants.

I agree to pay reasonable duplication fees for the processing of this request. However, please notify me prior to your incurring any expenses in excess of $500.

Through this request, I am gathering information on Madison that is of current interest to the public because of current investigations into its dealings and its officers. This information is being sought on behalf of The Baltimore Sun.

As I am making this request as a journalist and this information is of timely value, I would appreciate your communicating with me by phone, rather than by mail, if you have questions regarding this request. I can be reached at (202) 416-0250, and look forward to your reply within 10 business days, as the statute requires. Thank you for your assistance.

Sincerely,

Susan Baer

Susan Baer
Washington Correspondent

A Times Mirror
Newspaper

The Washington Post
1150 15TH STREET, N.W.
WASHINGTON, D.C. 20071
(202) 334-6000

WRITER'S DIRECT TELEPHONE NUMBER
334-6157

Jack Smith
Deputy General Counsel
FDIC

Dear Mr. Smith

Pursuant to the Freedom of Information Act (5 U.S.C. §552 as amended), I hereby request disclosure of the following records for inspection and possible copying:

Any and all memos or other documents concerning the retention of the Rose law firm in the FDIC's case against the accounting firm of Frost & Co., including a memo from Ken Schnock to John O'Donnell dated August 1989.

If you regard any of these records as exempt from required disclosure under the Act I hereby request that you exercise your discretion to disclose them nevertheless.

I further request that you disclose the listed documents as they become available to you without waiting until all the documents have been assembled.

I am making this request on behalf of The Washington Post, a newspaper of general circulation in the Washington, D.C. metropolitan area and throughout the United States. The records disclosed pursuant to this request will be used in the preparation of news articles for dissemination to the public. Accordingly, I request that, pursuant to 5 U.S.C. §552 (a)(4)(A), you waive all fees in the public interest because the furnishing of the information sought by this request will primarily benefit the

.../2

public. If, however, you decline to waive all fees, I am prepared to pay your normal search fees (and copying fees if I decide to copy any records), but I request that you notify me if you expect the search fees to exceed $100.

I look forward to hearing from you.

Sincerely,

3/9/94 10:25pm

DRAFT 2, 3/9/94 -- 3.5 minutes

Q: Any question regarding Madison Guaranty S&L.

A: First, let me reiterate that I did not attend any of the meetings between Treasury and White House officials. And let me point out something for those who haven't read the fine print of the law. As Chairman of the RTC Oversight Board, it means I am also prohibited by Congress from getting involved, in any fasion, in any case at the RTC. My staff knew that from the first day I walked in to Treasury.

Second, when the extent of the meetings became evident -- although I have every confidence in the officials at Treasury -- I moved immediately to ask the Office of Government Ethics to review what had taken place and let me know if there were ethics problems or conflicts that arose because of these meetings.

And third, I want to give you some idea of how we've cooperated with the Special Counsel in his investigation.

I hesitate to say come look in my basement at Treasury, because someone would probably call me a pack rat. But we've been holding back our trash to the point that I've had to use a warehouse in Alexandria to hold the overflow. There are 15 special investigators and internal auditors going through our files on my floor alone.

And you know these lawyers, they want everything that remotely resembles a document. We had technicians in all day yesterday taking out the computers in the offices of our most senior people. I even told them to take mine. I doubt they'll find much. I do most of my work with a Number 2 pencil.

I've insisted in all of this because I want no stone unturned. We want the truth out, and we're doing everything possible to assist Mr. Fiske in his investigation.

Two more quick points: First, the Treasury Department's Acting Inspector General decided to conduct an investigation after Congressman Wolf asked for one. Treasury's IG is as independent of me as Mr. Fiske is of the White House. He listened to Mr. Fiske, and concluded on his own to let Mr. Fiske conduct his work without any parallel investigation getting in the way.

And second, Mr. Fiske has asked Congress to let him do his job without the possibility that even inadvertently Congress might do something that could jeopardize his work. I agree with him.

Congressman, I served on the Hill for nearly 30 years. I've seen the institution changae, improve, evolve. I know the importance of congressional oversight. But I've also seen the desire for instant answers in the glare of lights get in the way of justice. That's a mistake. Let's not repeat it. I want the facts out, quickly. You want the facts out, and the American people want the facts out. Congress asked for a Special Counsel. Now there is one. We ought to let him do his job. If, when he's done, the American people don't think he answered all their questions, then Congress can finish asking them.

-30-

TREASURY STAFF MET WITH WH?

Q. Is it true that certain Treasury staff members met with White House staff on Madison?

A. As you have, I have read the papers and I know that meetings took place. However, I was not involved in the meetings and I do not know what occurred in them. As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

[Background: The Conference Report accompanying FIRREA (Aug. 4, 1989), provides at page 410:

"The Oversight Board will review and have overall responsibility for the RTC's activities. The Oversight Board will not, however, be involved in or responsible for case specific matters involving individual institutions, specific asset dispositions or generally the day-to-day operations of the RTC."]

MARCH 10 DRAFT

OTHER WH CONTACTS ON MADISON?

Q. Are you aware of any other meetings or conversations about Madison Guaranty between Treasury and the White House?

A. I am not aware of any, but as I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

SECRETARY KNOWLEDGE OF MADISON?

Q. What do you know about Madison Guaranty?

A. I know nothing about the details of Madison Guaranty. As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

[Background: The Conference Report accompanying FIRREA (Aug. 4, 1989), provides at page 410:

"The Oversight Board will review and have overall responsibility for the RTC's activities. The Oversight Board will not, however, be involved in or responsible for case specific matters involving individual institutions, specific asset dispositions or generally the day-to-day operations of the RTC."]

MARCH 10 DRAFT

SECRETARY KNOWLEDGE OF MEETINGS?

Q. Once you knew about the meetings, what did you find out about them?

A. I've seen a number of comments in the media. As I have mentioned, I am not going to conduct my own fact-finding about this, and I have directed Treasury staff to work with OGE in assembling the facts and circumstances about the meetings. And I have asked OGE to give me their views on ethics and conflicts issues the meetings might raise.

SECRETARY KNOWLEDGE OF MEETING CONTENT

Q. What was said in these meetings?

A. As I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

SECRETARY LEARNED ABOUT MEETINGS?

Q. When did you first learn about these meetings?

A. ????

MARCH 10 DRAFT

SECRETARY APPROVE MEETINGS?

Q. Would you have approved of the meetings if you had known of them in advance?

A. I am not going to deal in hypothetical, but as President Clinton has said, in retrospect it would have been best for all concerned if these meetings had not taken place.

SECRETARY ACTION ON MADISON

Q. What actions did you take when you learned that the meetings had occurred?

A. I instructed Treasury officials to have no further contact with the White House concerning Madison Guaranty and I asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues.

DENNIS CONSULTED?

Q. Before the meetings, did anyone at Treasury contact Treasury's ethics counsel? Is there an opinion or memo in writing?

A. I don't know if there is a written opinion, but I understand that the ethics counsel was consulted before the February 1994 meeting and did not object to it.

WHITE HOUSE DIDN'T KNOW OGE INVESTIGATION

Q. The White House said last Thursday that it didn't know in advance that you were asking OGE to investigate these meetings. Why?

A. My concern is with the actions taken by Treasury officials with respect to these meetings. That is why I asked OGE to review the meetings. I see no need to involve the White House in how Treasury handles questions concerning the conduct of Treasury officials.

MARCH 10 DRAFT

WHO'S DENNIS?

Q. **Mr. Secretary who is this unnamed ethics official who was alleged to have cleared Mr. Altman's meeting with White House Counsel Nussbaum?**

A. **Treasury's Designated Agency Ethics Official is Dennis Foreman, a Bush Administration appointee to the Deputy General Counsel position. Dennis has nearly twenty years of Government service, all in career positions except for his current job, and has provided ethics advice to Government officials at the State Department and at Treasury for many years.**

SECRETARY AGREE WITH DENNIS?

Q. Do you agree with the clearance by Treasury's ethics official of the February meeting with the White House?

A. It is not appropriate for me to agree or disagree with Treasury's ethics people's advice. The point of having ethics officials is to have someone who gives independent advice on whether something violates the ethics rules.

WHY INVESTIGATE

Q. The White House has stated that there was nothing wrong with Treasury officials meeting with White House officials on Madison Guaranty Savings and Loan. Why is it then that you have requested an investigation of these meetings? Doesn't this suggest that Treasury officials did something wrong?

A. I have full confidence in the professionalism and integrity of the dedicated and hard-working public servants at Treasury who were involved in these meetings. I have simply asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues.

Given the treatment these meetings have been given, and the suggestion by certain Congressional members that these meetings violated some rule or standard of ethical conduct, I think it is important that these meetings be examined from an ethical and conflicts perspective.

MARCH 10 DRAFT

WHY OGE?

Q. **Why the Office of Government Ethics? Why isn't Treasury conducting its own investigation?**

A. **OGE is an independent office charged with overseeing the standards of conduct applicable to Executive branch employees. I can't think of a better office to determine whether these meetings raise any ethics or conflicts issues.**

RTC POLICY ON CONFIDENTIAL REFERRALS

Q. The Washington Post reported that the RTC has a policy on the confidentiality of investigations and criminal referrals that would make any release of such information improper. Don't these meetings violate that policy?

A. I would expect that would be an issue which OGE will examine.

OGE DOESN'T INVESTIGATE

Q. Isn't it true that the Office of Government Ethics does not conduct investigations; that it only provides assessments based on investigations conducted by other agencies?

A. Yes, that's right, and all I have asked OGE to do was to provide their assessment based on facts to be assembled with the help of Treasury staff.

OGE REPORT PUBLIC

Q. Will you make OGE's report public?

A. Yes, as long as it's okay with the Special Counsel.

MARCH 10 DRAFT

NO WHITE HOUSE-REQUESTED OGE INVESTIGATION

Q. Why didn't the White House ask OGE to investigate these meetings?

A. I have not discussed the OGE review with the White House. It is my understanding that the White House has indicated that it will fully cooperate with Special Counsel Fiske and the ethics review. You'll have to refer any additional questions to the White House.

(Source: White House spokeswoman Dee Dee Myers quoted in the Wall Street Journal (3/4/94): "We'll cooperate fully with the special counsel and the [ethics office].")

OGE INVESTIGATING?

Q. So, at this point, OGE, an independent government agency, has taken up an investigation?

A. Yes, I have asked OGE to undertake this review, but I understand that OGE has asked to meet with Special Counsel Fiske to discuss whether he has any objection to OGE's review.

HOW LONG FOR OGE

Q. How long will it take the Office of Government Ethics to provide you with its conclusions?

A. Treasury has asked that OGE's review be conducted expeditiously, but I can't commit them to a time frame. I understand that OGE has asked for a meeting with Special Counsel Fiske's Office to discuss OGE's work in this matter, but I do not know the status of their discussions with Mr. Fiske.

NO IG INVESTIGATION

Q. Didn't Congressman Wolf ask Treasury's Inspector General to conduct an investigation?

A. Yes, he did, and Treasury's Acting Inspector General had decided, without consulting with me, to initiate an investigation. However, when the Inspector General learned that the Treasury Department had received a subpoena from the Special Counsel, again at his own initiative, he contacted Special Counsel Fiske before beginning the investigation. Mr. Fiske does not want him to investigate and the IG, as always, on his own, agreed not to do so.

ASK FOR IG INVESTIGATION?

Q. **Why didn't you ask Treasury's Inspector General to investigate the meetings with White House staff?**

A. **Because the allegations that were made involved ethics and conflict of interest questions, and the Office of Government Ethics is the proper authority to resolve such issues.**

ASK FOR SPECIAL COUNSEL INVESTIGATION?

Q. Why didn't you refer this matter to the Special Counsel?

A. The Special Counsel makes his own decisions about what to investigate. The Special Counsel has now issued a subpoena to the Department, and Treasury is cooperating fully with the Special Counsel. I am told that the Special Counsel's investigation is expected to take a few months. My desire has been that this matter be looked at as quickly as possible, and I asked OGE to do so.

EXTRAORDINARY STEPS TO PROTECT DOCUMENTS

Q. **What extraordinary steps has Treasury taken to cooperate with the Special Counsel?**

A. **The Department has essentially frozen its normal processes to ensure that there is not even an appearance that relevant material is lost. The normal processes for disposing of recycled paper, information on computer hard disks, old electronic mail messages and even yesterday's lunch have been stopped. We've had to use a warehouse in Alexandria to hold the garbage overflow. We've called in special inspectors and internal auditors from Treasury's bureaus to search and evaluate all material that is even conceivably relevant in all of our senior officials' offices. I even insisted that my computer be taken away for the search. Basically, we've tried to figure out every possible step to comply with the Special Counsel's subpoena, and then we've gone two steps beyond that.**

COOPERATE WITH CONGRESS?

Q. **I have no choice but to conclude that you have decided not to cooperate with Congress' oversight of Madison matters?**

A. **As you know, I spent thirty years at this end of Pennsylvania Avenue; I have the greatest respect for the Congress. It's not a question of cooperating with Congress; it's a question of setting priorities. Which is more important: the Special Counsel's full and careful consideration of and action on any prosecutions for wrongdoing or early public hearings on the matter. As the court overturning an independent counsel prosecution noted:**

> **The government must occasionally decide which it values more: immunization (perhaps to discharge institutional duties, such as congressional fact-finding and information-dissemination) or prosecution. If the government chooses immunization, then it must understand that the Fifth Amendment ... mean[s] that it is taking a great chance that the witness cannot constitutionally be indicted or prosecuted.**

MARCH 10 DRAFT

NO IMMUNITY – NO PROBLEM?

Q. There is no intention to grant immunity to any witnesses; without immunity there is no risk to prosecutions?

A. Even if individuals aren't granted immunity, public congressional testimony let's other witnesses tailor their testimony. It gives them a road map I'm sure the Special Counsel doesn't want them to have. Besides, I doubt that any individuals guilty of actual wrongdoing or worried that others will perceive them to be so are going to testify. Without their testimony, the only purpose to Madison-related inquiries at this stage is to create political theater.

OGE INTERFERE WITH FISKE?

Q. If you're concerned that congressional or other investigations will interfere with the Special Counsel, why have you asked OGE to investigate?

A. I've asked OGE to provide me their judgments as to whether what's been done violates the ethics rules. If they can't make those judgments on the basis of what they already know, I have every confidence that they will do nothing to jeopardize Mr. Fiske's work. In fact, they are seeking his views to ensure that.

STEINER TELL ABOUT MEETINGS?

Q. Mr. Steiner is your chief of staff. He didn't tell you about the meetings?

A. Mr. Steiner -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

STEINER INVOLVEMENT IN RTC?

Q. Why would Mr. Steiner be involved in RTC matters?

A. Mr. Steiner is not directly involved in RTC matters. He is, however, responsible for liaison between the Treasury Department and the White House -- and attends many meetings with White House staff.

STEINER INVOLVEMENT IN WH/MADISON?

Q. Why would Mr. Steiner be involved in meetings with the White House on Madison Guaranty?

A. One of Mr. Steiner's responsibilities is to serve as liaison between the Department and the White House. He attends many meetings with White House staff on a variety of subjects.

MARCH 10 DRAFT

HANSON TELL ABOUT MEETINGS?

Q. **Ms. Hanson is your General Counsel. She didn't tell you about the meetings?**

A. **Ms. Hanson -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.**

HANSON INVOLVEMENT IN RTC MATTERS?

Q. Why would Ms. Hanson be involved in RTC matters?

A. From the outset of Mr. Altman's appointment as interim CEO of the RTC, there was no permanent RTC General Counsel and no Deputy RTC CEO. Accordingly, there was a need to involve a small number of Treasury staff to provide support, including Treasury General Counsel Jean Hanson.

HANSON INVOLVEMENT IN WHITE HOUSE/MADISON

Q. **Why would Ms. Hanson be involved in meetings with the White House on Madison Guaranty?**

A. **During Mr. Altman's long tenure as interim CEO, it has been necessary for her to provide legal support on a variety of RTC-related matters.**

HANSON INTERRUPT ALTMAN AT FEB. 24

Q. Why did Ms. Hanson not interrupt Mr. Altman at the February 24 Senate hearing and mention to him the meetings last fall?

A. I have not discussed this with Ms. Hanson, but knowing her as I do, I am satisfied that there was no intention of concealing any information.

ALTMAN TELL ABOUT MEETING?

Q. Mr. Altman is the Deputy Secretary of the Treasury. He didn't tell you about the February meeting?

A. Mr. Altman -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

ALTMAN INVOLVED IN RTC?

Q. Why would Mr. Altman be involved in RTC matters?

A. Mr. Altman is the interim CEO of the RTC. In that capacity he is involved in RTC matters.

ALTMAN INVOLVEMENT IN WH/MADISON?

Q. Why would Mr. Altman be involved in White House meetings on Madison Guaranty?

A. Mr. Altman is interim CEO of the RTC.

DEVORE TELL ABOUT MEETING?

Q. Mr. DeVore was a long-time aide to you before you became Treasury Secretary. He didn't tell you about the meetings?

A. Mr. DeVore was -- and my senior staff is -- well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

DEVORE INVOLVED IN RTC MATTERS

Q. Why would Mr. DeVore be involved in RTC matters and why would he have attended a meeting at the White House on Madison?

A. Mr. DeVore was Treasury's Assistant Secretary for Public Affairs until November 1993. He was not directly involved in RTC matters, but it is my understanding that Treasury had received press inquiries concerning Madison Guaranty, presumably because Mr. Altman was the interim CEO of the RTC. I assume there was a desire to discuss responses to the press.

NUSSBAUM RESIGNATION

Q. The White House Counsel Bernard Nussbaum has resigned as a result of these meetings. Shouldn't Treasury's Deputy Secretary, General Counsel and Chief of Staff -- who participated in these meetings -- also resign?

A. I can't say why Mr. Nussbaum resigned -- that is something for him to say. I see no reason for Roger Altman, Jean Hanson or Josh Steiner to resign. As I said last Thursday, they have my full confidence. I have asked the OGE to review the facts and circumstances surrounding this matter and report back to me.

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2. Other WH contacts on Madison?
3. Secretary knowledge of Madison?
4. Secretary knowledge of meetings?
5. Secretary knowledge of meeting content?
6. Secretary first learned about meetings?
7. Would Secretary approve meetings?
8. Secretary action on Madison

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12. Secretary agree with Dennis?

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14. Why OGE?
15. RTC policy on confidential referrals

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28. Steiner tell about meetings?

29. Steiner involvement in RTC

30. Steiner involvement in White House/Madison

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32. Hanson involvement in RTC matters

33. Hanson involvement in White House/Madison

34. Hanson interrupt Altman at Feb. 24

ALTMAN QUESTIONS

35. Altman tell about meetings

36. Altman involvement in RTC matters

37. Altman involvement in White House/Madison

DEVORE QUESTIONS

38. DeVore tell about meeting?

39. DeVore involvement in RTC matters

RESIGNATIONS

40. Nussbaum resignation

11:00 P.M.

WHY INVESTIGATE

Q. The White House has stated that there was nothing wrong with Treasury officials meeting with White House officials on Madison Guaranty Savings and Loan. Why is it then that you have requested an investigation of these meetings? Doesn't this suggest that Treasury officials did something wrong?

A. I have full confidence in the professionalism and integrity of the dedicated and hard-working public servants at Treasury who were involved in these meetings. I have simply asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues.

Given the treatment these meetings have been given, and the suggestion by certain Congressional members that these meetings violated some rule or standard of ethical conduct, I think it is important that

HOUSE APPROPRIATIONS INDEX

OGE QUESTIONS

1. Nothing wrong -- why investigate
2. Why WH didn't know OGE in advance
3. Why didn't WH ask OGE investigate
4. Why OGE, not Treasury, investigate
5. How long OGE take
6. True OGE doesn't investigate
7. OGE report public
8. OGE doing investigation
9. RTC policy on confidential criminal referrals

IG QUESTIONS

10. Wolf asks for IG
11. Why not IG investigate

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SECRETARY MEETINGS KNOWLEDGE

13. What does Secretary know about Madison
14. Secretary first learn of meetings (Hanson)

15. " " " " " (Alternative answer 1)

16. " " " " " (Alternative answer 2)

17. What said in meetings

18. True Treasury and WH staff met on Madison

19. Knowledge of content of meetings

20. Approve of meetings if known in advance

21. Secretary's actions when learned of meetings

22. Know other meetings (Hanson)

23. " " " (Alternative answer)

24. Treasury ethics counsel contact

STEINER QUESTIONS

25. Steiner didn't tell

26. Why Steiner in RTC matters

27. Why Steiner meet with WH on Madison

HANSON QUESTIONS

28. Hanson didn't tell (Hanson)

29. " " " (Alternative)

30. Why Hanson in RTC

31. Why Hanson meet with WH on Madison (Hanson)

32. " " " " " " " (Alternative)

33. Why Hanson not interrupt Altman at Feb. 24

ALTMAN QUESTIONS

34. Altman didn't tell (Hanson)

35. " " " (Alternative answer 1)

36. " " " (Alternative answer 2)

37. Why Altman in RTC

38. Why Altman meet with WH on Madison

DEVORE QUESTIONS

39. DeVore didn't tell

40. Why DeVore meet with WH on Madison

NUSSBAUM -- RESIGNATIONS

41. Nussbaum resign

PROTECT DOCUMENTS

42. Steps to protect documents

****

43. Hanson-suggested on Altman-Bentsen conversations

TREASURY STAFF MET WITH WH?

Q. Is it true that certain Treasury staff members met with White House staff on Madison?

A. As you have, I have read the papers and I know that meetings took place. However, I was not involved in the meetings and I do not know what occurred in them. As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

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MARCH 10 DRAFT

HANSON TELL ABOUT MEETINGS?

Q. Ms. Hanson is your General Counsel. She didn't tell you about the meetings?

A. Ms. Hanson -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

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STEINER TELL ABOUT MEETINGS?

Q. Mr. Steiner is your chief of staff. He didn't tell you about the meetings?

A. Mr. Steiner -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

SECRETARY AGREE WITH DENNIS?

Q. Do you agree with the clearance by Treasury's ethics official of the February meeting with the White House?

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OTHER WH CONTACTS ON MADISON?

Q. Are you aware of any other meetings or conversations about Madison Guaranty between Treasury and the White House?

A. I am not aware of any, but as I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

SECRETARY KNOWLEDGE OF MADISON?

Q. What do you know about Madison Guaranty?

A. I know nothing about the details of Madison Guaranty. As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

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SECRETARY KNOWLEDGE OF MEETINGS?

Q. Once you knew about the meetings, what did you find out about them?

A. I've seen a number of comments in the media. As I have mentioned, I am not going to conduct my own fact-finding about this, and I have directed Treasury staff to work with OGE in assembling the facts and circumstances about the meetings. And I have asked OGE to give me their views on ethics and conflicts issues the meetings might raise.

MARCH 10 DRAFT

SECRETARY KNOWLEDGE OF MEETING CONTENT

Q. What was said in these meetings?

A. As I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

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SECRETARY LEARNED ABOUT MEETINGS?

Q. **When did you first learn about these meetings?**

A. ????

SECRETARY APPROVE MEETINGS?

Q. Would you have approved of the meetings if you had known of them in advance?

A. I am not going to deal in hypothetical, but as President Clinton has said, in retrospect it would have been best for all concerned if these meetings had not taken place.

SECRETARY ACTION ON MADISON

Q. What actions did you take when you learned that the meetings had occurred?

A. I instructed Treasury officials to have no further contact with the White House concerning Madison Guaranty and I asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues.

WHITE HOUSE DIDN'T KNOW OGE INVESTIGATION

Q. The White House said last Thursday that it didn't know in advance that you were asking OGE to investigate these meetings. Why?

A. My concern is with the actions taken by Treasury officials with respect to these meetings. That is why I asked OGE to review the meetings. I see no need to involve the White House in how Treasury handles questions concerning the conduct of Treasury officials.

MARCH 10 DRAFT

DENNIS CONSULTED?

Q. Before the meetings, did anyone at Treasury contact Treasury's ethics counsel? Is there an opinion or memo in writing?

A. I don't know if there is a written opinion, but I understand that the ethics counsel was consulted before the February 1994 meeting and did not object to it.

WHO'S DENNIS?

Q. Mr. Secretary who is this unnamed ethics official who was alleged to have cleared Mr. Altman's meeting with White House Counsel Nussbaum?

A. Treasury's Designated Agency Ethics Official is Dennis Foreman, a Bush Administration appointee to the Deputy General Counsel position. Dennis has nearly twenty years of Government service, all in career positions except for his current job, and has provided ethics advice to Government officials at the State Department and at Treasury for many years.

WHY INVESTIGATE

Q. The White House has stated that there was nothing wrong with Treasury officials meeting with White House officials on Madison Guaranty Savings and Loan. Why is it then that you have requested an investigation of these meetings? Doesn't this suggest that Treasury officials did something wrong?

A. I have full confidence in the professionalism and integrity of the dedicated and hard-working public servants at Treasury who were involved in these meetings. I have simply asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues.

Given the treatment these meetings have been given, and the suggestion by certain Congressional members that these meetings violated some rule or standard of ethical conduct, I think it is important that these meetings be examined from an ethical and conflicts perspective.

WHY OGE?

Q. Why the Office of Government Ethics? Why isn't Treasury conducting its own investigation?

A. OGE is an independent office charged with overseeing the standards of conduct applicable to Executive branch employees. I can't think of a better office to determine whether these meetings raise any ethics or conflicts issues.

MARCH 10 DRAFT

RTC POLICY ON CONFIDENTIAL REFERRALS

Q. The Washington Post reported that the RTC has a policy on the confidentiality of investigations and criminal referrals that would make any release of such information improper. Don't these meetings violate that policy?

A. I would expect that would be an issue which OGE will examine.

MARCH 10 DRAFT

OGE DOESN'T INVESTIGATE

Q. Isn't it true that the Office of Government Ethics does not conduct investigations; that it only provides assessments based on investigations conducted by other agencies?

A. Yes, that's right, and all I have asked OGE to do was to provide their assessment based on facts to be assembled with the help of Treasury staff.

OGE REPORT PUBLIC

Q. Will you make OGE's report public?

A. Yes, as long as it's okay with the Special Counsel.

NO WHITE HOUSE-REQUESTED OGE INVESTIGATION

Q. Why didn't the White House ask OGE to investigate these meetings?

A. I have not discussed the OGE review with the White House. It is my understanding that the White House has indicated that it will fully cooperate with Special Counsel Fiske and the ethics review. You'll have to refer any additional questions to the White House.

(Source: White House spokeswoman Dee Dee Myers quoted in the Wall Street Journal (3/4/94): "We'll cooperate fully with the special counsel and the [ethics office].")

MARCH 10 DRAFT

MARCH 10 DRAFT

OGE INVESTIGATING?

Q. **So, at this point, OGE, an independent government agency, has taken up an investigation?**

A. **Yes, I have asked OGE to undertake this review, but I understand that OGE has asked to meet with Special Counsel Fiske to discuss whether he has any objection to OGE's review.**

MARCH 10 DRAFT

HOW LONG FOR OGE

Q. How long will it take the Office of Government Ethics to provide you with its conclusions?

A. Treasury has asked that OGE's review be conducted expeditiously, but I can't commit them to a time frame. I understand that OGE has asked for a meeting with Special Counsel Fiske's Office to discuss OGE's work in this matter, but I do not know the status of their discussions with Mr. Fiske.

NO IG INVESTIGATION

Q. Didn't Congressman Wolf ask Treasury's Inspector General to conduct an investigation?

A. Yes, he did, and Treasury's Acting Inspector General had decided, without consulting with me, to initiate an investigation. However, when the Inspector General learned that the Treasury Department had received a subpoena from the Special Counsel, again at his own initiative, he contacted Special Counsel Fiske before beginning the investigation. Mr. Fiske does not want him to investigate and the IG, as always, on his own, agreed not to do so.

MARCH 10 DRAFT

ASK FOR IG INVESTIGATION?

Q. Why didn't you ask Treasury's Inspector General to investigate the meetings with White House staff?

A. Because the allegations that were made involved ethics and conflict of interest questions, and the Office of Government Ethics is the proper authority to resolve such issues.

ASK FOR SPECIAL COUNSEL INVESTIGATION?

Q. Why didn't you refer this matter to the Special Counsel?

A. The Special Counsel makes his own decisions about what to investigate. The Special Counsel has now issued a subpoena to the Department, and Treasury is cooperating fully with the Special Counsel. I am told that the Special Counsel's investigation is expected to take a few months. My desire has been that this matter be looked at as quickly as possible, and I asked OGE to do so.

MARCH 10 DRAFT

EXTRAORDINARY STEPS TO PROTECT DOCUMENTS

Q. What extraordinary steps has Treasury taken to cooperate with the Special Counsel?

A. The Department has essentially frozen its normal processes to ensure that there is not even an appearance that relevant material is lost. The normal processes for disposing of recycled paper, information on computer hard disks, old electronic mail messages and even yesterday's lunch have been stopped. We've had to use a warehouse in Alexandria to hold the garbage overflow. We've called in special inspectors and internal auditors from Treasury's bureaus to search and evaluate all material that is even conceivably relevant in all of our senior officials' offices. I even insisted that my computer be taken away for the search. Basically, we've tried to figure out every possible step to comply with the Special Counsel's subpoena, and then we've gone two steps beyond that.

COOPERATE WITH CONGRESS?

Q. I have no choice but to conclude that you have decided not to cooperate with Congress' oversight of Madison matters?

A. As you know, I spent thirty years at this end of Pennsylvania Avenue; I have the greatest respect for the Congress. It's not a question of cooperating with Congress; it's a question of setting priorities. Which is more important: the Special Counsel's full and careful consideration of and action on any prosecutions for wrongdoing or early public hearings on the matter. As the court overturning an independent counsel prosecution noted:

> **The government must occasionally decide which it values more: immunization (perhaps to discharge institutional duties, such as congressional fact-finding and information-dissemination) or prosecution. If the government chooses immunization, then it must understand that the Fifth Amendment ... mean[s] that it is taking a great chance that the witness cannot constitutionally be indicted or prosecuted.**

NO IMMUNITY – NO PROBLEM?

Q. There is no intention to grant immunity to any witnesses; without immunity there is no risk to prosecutions?

A. Even if individuals aren't granted immunity, public congressional testimony let's other witnesses tailor their testimony. It gives them a road map I'm sure the Special Counsel doesn't want them to have. Besides, I doubt that any individuals guilty of actual wrongdoing or worried that others will perceive them to be so are going to testify. Without their testimony, the only purpose to Madison-related inquiries at this stage is to create political theater.

OGE INTERFERE WITH FISKE?

Q. If you're concerned that congressional or other investigations will interfere with the Special Counsel, why have you asked OGE to investigate?

A. I've asked OGE to provide me their judgments as to whether what's been done violates the ethics rules. If they can't make those judgments on the basis of what they already know, I have every confidence that they will do nothing to jeopardize Mr. Fiske's work. In fact, they are seeking his views to ensure that.

JOSHUA STEINER

STEINER TELL ABOUT MEETINGS?

Q. Mr. Steiner is your chief of staff. He didn't tell you about the meetings?

A. Mr. Steiner -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

STEINER INVOLVEMENT IN RTC?

Q. Why would Mr. Steiner be involved in RTC matters?

A. Mr. Steiner is not directly involved in RTC matters. He is, however, responsible for liaison between the Treasury Department and the White House -- and attends many meetings with White House staff.

MARCH 10 DRAFT

STEINER INVOLVEMENT IN WH/MADISON?

Q. Why would Mr. Steiner be involved in meetings with the White House on Madison Guaranty?

A. One of Mr. Steiner's responsibilities is to serve as liaison between the Department and the White House. He attends many meetings with White House staff on a variety of subjects.

JEAN HANSON

HANSON TELL ABOUT MEETINGS?

Q. Ms. Hanson is your General Counsel. She didn't tell you about the meetings?

A. Ms. Hanson -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

HANSON INVOLVEMENT IN RTC MATTERS?

Q. **Why would Ms. Hanson be involved in RTC matters?**

A. **From the outset of Mr. Altman's appointment as interim CEO of the RTC, there was no permanent RTC General Counsel and no Deputy RTC CEO. Accordingly, there was a need to involve a small number of Treasury staff to provide support, including Treasury General Counsel Jean Hanson.**

MARCH 10 DRAFT

HANSON IN WH/MADISON GUARANTY MEETINGS?

Q. Why would Ms. Hanson be involved in meetings with the White House on Madison Guaranty?

A. During Mr. Altman's long tenure as interim CEO, it has been necessary for her to provide legal support on a variety of RTC-related matters.

HANSON INTERRUPT ALTMAN AT FEB. 24

Q. Why did Ms. Hanson not interrupt Mr. Altman at the February 24 Senate hearing and mention to him the meetings last fall?

A. I have not discussed this with Ms. Hanson, but knowing her as I do, I am satisfied that there was no intention of concealing any information.

ROGER ALTMAN

ALTMAN TELL ABOUT MEETING?

Q. Mr. Altman is the Deputy Secretary of the Treasury. He didn't tell you about the February meeting?

A. Mr. Altman -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

DRAFT

ALTMAN INVOLVED IN RTC?

Q. Why would Mr. Altman be involved in RTC matters?

A. Mr. Altman is the interim CEO of the RTC. In that capacity he is involved in RTC matters.

MARCH 10 DRAFT

ALTMAN IN WH/MADISON MEETING?

Q. Why would Mr. Altman be involved in White House meetings on Madison Guaranty?

A. Mr. Altman is interim CEO of the RTC.

MARCH 10 DRAFT

JACK DeVORE

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Q. Mr. DeVore was a long-time aide to you before you became Treasury Secretary. He didn't tell you about the meetings?

A. Mr. DeVore was -- and my senior staff is -- well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

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Q. Why would Mr. DeVore be involved in RTC matters and why would he have attended a meeting at the White House on Madison?

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MARCH 10 DRAFT

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Q. Once you knew about the meetings, what did you find out about them?

A. I've seen a number of comments in the media. As I have mentioned, I am not going to conduct my own fact-finding about this, and I have directed Treasury staff to work with OGE in assembling the facts and circumstances about the meetings. And I have asked OGE to give me their views on ethics and conflicts issues the meetings might raise.

SECRETARY APPROVE MEETINGS?

Q. Would you have approved of the meetings if you had known of them in advance?

A. I am not going to deal in hypothetical, but as President Clinton has said, in retrospect it would have been best for all concerned if these meetings had not taken place.

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OGE REPORT PUBLIC

Q. Will you make OGE's report public?

A. Yes, as long as it's okay with the Special Counsel.

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Q. The White House Counsel Bernard Nussbaum has resigned as a result of these meetings. Shouldn't Treasury's Deputy Secretary, General Counsel and Chief of Staff -- who participated in these meetings -- also resign?

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DRAFT

TREASURY STAFF MET WITH WH?

Q. Is it true that certain Treasury staff members met with White House staff on Madison?

A. As you have, I have read the papers and I know that meetings took place. However, I was not involved in the meetings and I do not know what occurred in them. As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

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Q. What actions did you take when you learned that the meetings had occurred?

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DENNIS CONSULTED?

Q. Before the meetings, did anyone at Treasury contact Treasury's ethics counsel? Is there an opinion or memo in writing?

A. I don't know if there is a written opinion, but I understand that the ethics counsel was consulted before the February 1994 meeting and did not object to it.

PROTECTING MADISON DOCUMENTS

Q. What are you doing to protect documents related to Madison Guaranty and Whitewater?

A. After receiving the subpoena from Special Counsel Fiske, the Department's Executive Secretary directed the identification, collection and preservation of all documents and other material responsive to the subpoena. We are fully cooperating with Special Counsel Fiske's investigation.

OTHER WH CONTACTS ON MADISON?

Q. Are you aware of any other meetings or conversations about Madison Guaranty between Treasury and the White House?

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A. As you have, I have read the papers and I know that meetings took place. However, I was not involved in the meetings and I do not know what occurred in them. As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

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"The Oversight Board will review and have overall responsibility for the RTC's activities. The Oversight Board will not, however, be involved in or responsible for case specific matters involving individual institutions, specific asset dispositions or generally the day-to-day operations of the RTC."]

OTHER WH CONTACTS ON MADISON?

Q. Are you aware of any other meetings or conversations about Madison Guaranty between Treasury and the White House?

A. I am not aware of any, but as I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

SECRETARY KNOWLEDGE OF MADISON?

Q. What do you know about Madison Guaranty?

A. I know nothing about the details of Madison Guaranty. As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

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SECRETARY KNOWLEDGE OF MEETINGS?

Q. Once you knew about the meetings, what did you find out about them?

A. I've seen a number of comments in the media. As I have mentioned, I am not going to conduct my own fact-finding about this, and I have directed Treasury staff to work with OGE in assembling the facts and circumstances about the meetings. And I have asked OGE to give me their views on ethics and conflicts issues the meetings might raise.

DRAFT

SECRETARY KNOWLEDGE OF MEETING CONTENT

Q. What was said in these meetings?

A. As I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

DRAFT

SECRETARY LEARNED ABOUT MEETINGS?

Q. When did you first learn about these meetings?

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DRAFT

SECRETARY APPROVE MEETINGS?

Q. Would you have approved of the meetings if you had known of them in advance?

A. I am not going to deal in hypothetical, but as President Clinton has said, in retrospect it would have been best for all concerned if these meetings had not taken place.

MARCH 9 -- 11:00 P.M.

WHY INVESTIGATE

Q. The White House has stated that there was nothing wrong with Treasury officials meeting with White House officials on Madison Guaranty Savings and Loan. Why is it then that you have requested an investigation of these meetings? Doesn't this suggest that Treasury officials did something wrong?

A. I have full confidence in the professionalism and integrity of the dedicated and hard-working public servants at Treasury who were involved in these meetings. I have simply asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues.

Given the treatment these meetings have been given, and the suggestion by certain Congressional members that these meetings violated some rule or standard of ethical conduct, I think it is important that these meetings be examined from an ethical and conflicts perspective.

DRAFT

WHITE HOUSE DIDN'T KNOW OGE INVESTIGATION

Q. The White House said last Thursday that it didn't know in advance that you were asking OGE to investigate these meetings. Why?

A. My concern is with the actions taken by Treasury officials with respect to these meetings. That is why I asked OGE to review the meetings. I see no need to involve the White House in how Treasury handles questions concerning the conduct of Treasury officials.

NO WHITE HOUSE-REQUESTED OGE INVESTIGATION

Q. Why didn't the White House ask OGE to investigate these meetings?

A. I have not discussed the OGE review with the White House. It is my understanding that the White House has indicated that it will fully cooperate with Special Counsel Fiske and the ethics review. You'll have to refer any additional questions to the White House.

(Source: White House spokeswoman Dee Dee Myers quoted in the Wall Street Journal (3/4/94): "We'll cooperate fully with the special counsel and the [ethics office].")

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WHY OGE?

Q. Why the Office of Government Ethics? Why isn't Treasury conducting its own investigation?

A. OGE is an independent office charged with overseeing the standards of conduct applicable to Executive branch employees. I can't think of a better office to determine whether these meetings raise any ethics or conflicts issues.

DRAFT

HOW LONG FOR OGE

Q. How long will it take the Office of Government Ethics to provide you with its conclusions?

A. Treasury has asked that OGE's review be conducted expeditiously, but I can't commit them to a time frame. I understand that OGE has asked for a meeting with Special Counsel Fiske's Office to discuss OGE's work in this matter, but I do not know the status of their discussions with Mr. Fiske.

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NO IG INVESTIGATION

Q. Didn't Congressman Wolf ask Treasury's Inspector General to conduct an investigation?

A. Yes, he did, and Treasury's Acting Inspector General had decided, without consulting with me, to initiate an investigation. However, when the Inspector General learned that the Treasury Department had received a subpoena from the Special Counsel, again at his own initiative, he contacted Special Counsel Fiske before beginning the investigation. Mr. Fiske does not want him to investigate and the IG, as always, on his own, agreed not to do so.

DRAFT

OGE DOESN'T INVESTIGATE

Q. Isn't it true that the Office of Government Ethics does not conduct investigations; that it only provides assessments based on investigations conducted by other agencies?

A. Yes, that's right, and all I have asked OGE to do was to provide their assessment based on facts to be assembled with the help of Treasury staff.

DRAFT

ASK FOR IG INVESTIGATION?

Q. Why didn't you ask Treasury's Inspector General to investigate the meetings with White House staff?

A. Because the allegations that were made involved ethics and conflict of interest questions, and the Office of Government Ethics is the proper authority to resolve such issues.

DRAFT

ASK FOR SPECIAL COUNSEL INVESTIGATION?

Q. Why didn't you refer this matter to the Special Counsel?

A. The Special Counsel makes his own decisions about what to investigate. The Special Counsel has now issued a subpoena to the Department, and Treasury is cooperating fully with the Special Counsel. I am told that the Special Counsel's investigation is expected to take a few months. My desire has been that this matter be looked at as quickly as possible, and I asked OGE to do so.

DRAFT

RTC POLICY ON CONFIDENTIAL REFERRALS

Q. The Washington Post reported that the RTC has a policy on the confidentiality of investigations and criminal referrals that would make any release of such information improper. Don't these meetings violate that policy?

A. I would expect that would be an issue which OGE will examine.

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Q. What was said in these meetings?

A. As I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

DRAFT

JOSHUA STEINER

STEINER TELL ABOUT MEETINGS?

Q. Mr. Steiner is your chief of staff. He didn't tell you about the meetings?

A. Mr. Steiner -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

DRAFT

STEINER INVOLVEMENT IN RTC?

Q. **Why would Mr. Steiner be involved in RTC matters?**

A. **Mr. Steiner is not directly involved in RTC matters. He is, however, responsible for liaison between the Treasury Department and the White House -- and attends many meetings with White House staff.**

STEINER INVOLVEMENT IN WH/MADISON?

Q. Why would Mr. Steiner be involved in meetings with the White House on Madison Guaranty?

A. One of Mr. Steiner's responsibilities is to serve as liaison between the Department and the White House. He attends many meetings with White House staff on a variety of subjects.

JEAN HANSON

HANSON TELL ABOUT MEETINGS?

Q. Ms. Hanson is your General Counsel. She didn't tell you about the meetings?

A. Ms. Hanson -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

DRAFT

HANSON INVOLVEMENT IN RTC MATTERS?

Q. Why would Ms. Hanson be involved in RTC matters?

A. From the outset of Mr. Altman's appointment as interim CEO of the RTC, there was no permanent RTC General Counsel and no Deputy RTC CEO. Accordingly, there was a need to involve a small number of Treasury staff to provide support, including Treasury General Counsel Jean Hanson.

DRAFT

HANSON IN WH/MADISON GUARANTY MEETINGS?

Q. Why would Ms. Hanson be involved in meetings with the White House on Madison Guaranty?

A. During Mr. Altman's long tenure as interim CEO, it has been necessary for her to provide legal support on a variety of RTC-related matters.

HANSON INTERRUPT ALTMAN AT FEB. 24

Q. Why did Ms. Hanson not interrupt Mr. Altman at the February 24 Senate hearing and mention to him the meetings last fall?

A. I have not discussed this with Ms. Hanson, but knowing her as I do, I am satisfied that there was no intention of concealing any information.

ROGER ALTMAN

ALTMAN TELL ABOUT MEETING?

Q. Mr. Altman is the Deputy Secretary of the Treasury. He didn't tell you about the February meeting?

A. Mr. Altman -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

DRAFT

ALTMAN INVOLVED IN RTC?

Q. Why would Mr. Altman be involved in RTC matters?

A. Mr. Altman is the interim CEO of the RTC. In that capacity he is involved in RTC matters.

DRAFT

ALTMAN IN WH/MADISON MEETING?

Q. Why would Mr. Altman be involved in White House meetings on Madison Guaranty?

A. Mr. Altman is interim CEO of the RTC.

DRAFT

JACK DeVORE

DEVORE TELL ABOUT MEETING?

Q. **Mr. DeVore was a long-time aide to you before you became Treasury Secretary. He didn't tell you about the meetings?**

A. **Mr. DeVore was -- and my senior staff is -- well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.**

DRAFT

DEVORE INVOLVED IN RTC MATTERS

Q. Why would Mr. DeVore be involved in RTC matters and why would he have attended a meeting at the White House on Madison?

A. Mr. DeVore was Treasury's Assistant Secretary for Public Affairs until November 1993. He was not directly involved in RTC matters, but it is my understanding that Treasury had received press inquiries concerning Madison Guaranty, presumably because Mr. Altman was the interim CEO of the RTC. I assume there was a desire to discuss responses to the press.

DRAFT

SECRETARY KNOWLEDGE OF MEETINGS?

Q. Once you knew about the meetings, what did you find out about them?

A. I've seen a number of comments in the media. As I have mentioned, I am not going to conduct my own fact-finding about this, and I have directed Treasury staff to work with OGE in assembling the facts and circumstances about the meetings. And I have asked OGE to give me their views on ethics and conflicts issues the meetings might raise.

SECRETARY APPROVE MEETINGS?

Q. Would you have approved of the meetings if you had known of them in advance?

A. I am not going to deal in hypothetical, but as President Clinton has said, in retrospect it would have been best for all concerned if these meetings had not taken place.

DRAFT

OGE REPORT PUBLIC

Q. Will you make OGE's report public?

A. Yes, as long as it's okay with the Special Counsel.

DRAFT

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NUSSBAUM RESIGNATION

Q. The White House Counsel Bernard Nussbaum has resigned as a result of these meetings. Shouldn't Treasury's Deputy Secretary, General Counsel and Chief of Staff -- who participated in these meetings -- also resign?

A. I can't say why Mr. Nussbaum resigned -- that is something for him to say. I see no reason for Roger Altman, Jean Hanson or Josh Steiner to resign. As I said last Thursday, they have my full confidence. I have asked the OGE to review the facts and circumstances surrounding this matter and report back to me.

TREASURY STAFF MET WITH WH?

Q. Is it true that certain Treasury staff members met with White House staff on Madison?

A. As you have, I have read the papers and I know that meetings took place. However, I was not involved in the meetings and I do not know what occurred in them. As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

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DRAFT

SECRETARY ACTION ON MADISON

Q. What actions did you take when you learned that the meetings had occurred?

A. I instructed Treasury officials to have no further contact with the White House concerning Madison Guaranty and I asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues.

DRAFT

OGE INVESTIGATING?

Q. So, at this point, OGE, an independent government agency, has taken up an investigation?

A. Yes, I have asked OGE to undertake this review, but I understand that OGE has asked to meet with Special Counsel Fiske to discuss whether he has any objection to OGE's review.

DENNIS CONSULTED?

Q. Before the meetings, did anyone at Treasury contact Treasury's ethics counsel? Is there an opinion or memo in writing?

A. I don't know if there is a written opinion, but I understand that the ethics counsel was consulted before the February 1994 meeting and did not object to it.

PROTECTING MADISON DOCUMENTS

Q. What are you doing to protect documents related to Madison Guaranty and Whitewater?

A. After receiving the subpoena from Special Counsel Fiske, the Department's Executive Secretary directed the identification, collection and preservation of all documents and other material responsive to the subpoena. We are fully cooperating with Special Counsel Fiske's investigation.

OTHER WH CONTACTS ON MADISON?

Q. Are you aware of any other meetings or conversations about Madison Guaranty between Treasury and the White House?

A. I am not aware of any, but as I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

WHO'S DENNIS?

Q. Mr. Secretary who is this unnamed ethics official who was alleged to have cleared Mr. Altman's meeting with White House Counsel Nussbaum?

A. Treasury's Designated Agency Ethics Official is Dennis Foreman, a Bush Administration appointee to the Deputy General Counsel position. Dennis has nearly twenty years of Government service, all in career positions except for his current job, and has provided ethics advice to Government officials at the State Department and at Treasury for many years.

SECRETARY AGREE WITH DENNIS?

Q. Do you agree with the clearance by Treasury's ethics official of the February meeting with the White House?

A. It is not appropriate for me to agree or disagree with Treasury's ethics people's advice. The point of having ethics officials is to have someone who gives independent advice on whether something violates the ethics rules.

COOPERATE WITH CONGRESS?

Q. I have no choice but to conclude that you have decided not to cooperate with Congress' oversight of Madison matters?

A. As you know, I spent thirty years at this end of Pennsylvania Avenue; I have the greatest respect for the Congress. It's not a question of cooperating with Congress; it's a question of setting priorities. Which is more important: the Special Counsel's full and careful consideration of and action on any prosecutions for wrongdoing or early public hearings on the matter. As the court overturning an independent counsel prosecution noted:

> The government must occasionally decide which it values more: immunization (perhaps to discharge institutional duties, such as congressional fact-finding and information-dissemination) or prosecution. If the government chooses immunization, then it must understand that the Fifth Amendment ... mean[s] that it is taking a great chance that the witness cannot constitutionally be indicted or prosecuted.

NO IMMUNITY -- NO PROBLEM?

Q. There is no intention to grant immunity to any witnesses; without immunity there is no risk to prosecutions?

A. Even if individuals aren't granted immunity, public congressional testimony let's other witnesses tailor their testimony. It gives them a road map I'm sure the Special Counsel doesn't want them to have. Besides, I doubt that any individuals guilty of actual wrongdoing or worried that others will perceive them to be so are going to testify. Without their testimony, the only purpose to Madison-related inquiries at this stage is to create political theater.

OGE INTERFERE WITH FISKE?

Q. If you're concerned that congressional or other investigations will interfere with the Special Counsel, why have you asked OGE to investigate?

A. I've asked OGE to provide me their judgments as to whether what's been done violates the ethics rules. If they can't make those judgments on the basis of what they already know, I have every confidence that they will do nothing to jeopardize Mr. Fiske's work. In fact, they are seeking his views to ensure that.

DRAFT

EXTRAORDINARY STEPS TO PROTECT DOCUMENTS

Q. What extraordinary steps has Treasury taken to cooperate with the Special Counsel?

A. The Department has essentially frozen its normal processes to ensure that there is not even an appearance that relevant material is lost. The normal processes for disposing of recycled paper, information on computer hard disks, old electronic mail messages and even yesterday's lunch have been stopped. We've had to use a warehouse in Alexandria to hold the garbage overflow. We've called in special inspectors and internal auditors from Treasury's bureaus to search and evaluate all material that is even conceivably relevant in all of our senior officials' offices. I even insisted that my computer be taken away for the search. Basically, we've tried to figure out every possible step to comply with the Special Counsel's subpoena, and then we've gone two steps beyond that.

SECRETARY KNOWLEDGE OF MADISON?

Q. What do you know about Madison Guaranty?

A. I know nothing about the details of Madison Guaranty. As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

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NO WHITE HOUSE-REQUESTED OGE INVESTIGATION

Q. Why didn't the White House ask OGE to investigate these meetings?

A. I have not discussed the OGE review with the White House. It is my understanding that the White House has indicated that it will fully cooperate with Special Counsel Fiske and the ethics review.

DRAFT -- March 9, 1994, 4:45 p.m.

Q. Any Question about Madison Guaranty Savings and Loan Association.

A. I am very conscious of the serious concerns raised about several meetings between present and former Treasury officials and White House staffers concerning matters that have some relationship with Madison Savings and Loan Association. As I've said before, I did not attend any of these meetings. I have the highest regard for the integrity of the hard-working public servants who attended the meetings.

Nevertheless, I understand the concerns about ethics and appearances that have arisen. Accordingly, I directed Treasury staff to work with the Office of Government Ethics to assemble all of the facts and circumstances about these meetings. In this way, OGE can advise me about any ethics or conflicts matters that may arise from these facts. This fact-finding effort is currently far from complete.

As you know, I spent __ years in Congress in both the House and the Senate, and I have the greatest respect for the institutions of the Congress. I have the utmost respect for Congress' oversight power, and I certainly want to cooperate with Congress' exercise of that power. However, the question is not whether I want to cooperate with the Congress; the question is what best advances the public interest in correct resolution of all the

Madison matters.

As you know, in response to numerous calls from Republican Congressmen for appointment of a special counsel to look into any possible wrongdoing in the Madison Guaranty matter, Robert Fiske, a Republican with impeccable prosecutorial credentials, has been appointed as special counsel. It is critically important that he be permitted to perform the fact-finding and prosecutorial functions for which he was appointed without interference.

Treasury and several of its senior officials have been served with subpoenas by Special Counsel Fiske for any and all documents and other materials related to these meetings. The subpoenas are continuing and direct that responsive documents be produced on March 10 and that several individuals testify before a grand jury on the same date. We are taking extraordinary steps at the Department to ensure full and prompt compliance with the subpoenas. The Department's Executive Secretary directed the identification, collection and preservation of all documents and other material responsive to the subpoena. In addition, Treasury staff has been instructed not to shred or otherwise destroy any documents, regardless of the subject matter, until the Department has complied fully with the subpoena.

We hope that the Congress also will cooperate with the Special Counsel's work. As you know, a conviction that was obtained by an independent counsel in the Iran-Contra matter has been

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We hope that the Congress also will cooperate with the Special Counsel's work. As you know, a conviction that was obtained by an independent counsel in the Iran-Contra matter has been overturned by the courts because of interference that resulted from Congressional hearings into the matter. For that reason, I hope that Congress will permit Special Counsel Fiske's investigation to proceed without creating the risk that immunized testimony given at Congressional hearings will subvert prosecutions.

It begs the question to say, as some Republicans have, that witnesses at Congressional hearings will not be granted immunity. If the purpose of hearings is to find the truth, then immunity will have to be granted or witnesses will not testify. The only conceivable purpose for hearings at which witnesses are not granted immunity is to create political theatre. I certainly hope that Congress will not jeopardize the Special Counsel's work for that purpose.

The Special Counsel himself has recognized that the potential for jeopardizing his work is real. His office has asked the Acting Inspector General of the Treasury Department not to undertake an IG investigation of these meetings that was requested last week by Congressman Frank Wolf. Special Counsel Fiske has sent letters to Senator Riegle, Chairman of the Senate Banking Committee, and Representative Gonzalez, Chairman of the House Banking Committee, requesting that congressional hearings not be held on these matters. I understand that Special Counsel Fiske met with Senators D'Amato and Cohen today and reiterated his request that there not be Congressional hearings into Madison matters while the Special Counsel continues his work. Further, I understand that OGE has requested a meeting with Special Counsel attorneys to discuss the OGE review of these meetings.

Given all of these circumstances, it would serve no purpose for me to discuss these meetings in any detail today. This is not the time or place. Nor have I gathered the facts regarding these meetings. As Chairman of the Thrift Depositor Protection Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC. I am anxious for the OGE report on the facts and circumstances to be provided to me as expeditiously as possible. Based upon this or any other authoritative report, I will be happy to go on the record and discuss these meetings.

I believe that this is the most careful and thorough, and fairest way to deal with these issues. It ensures that Special Counsel Fiske and OGE have the unimpeded opportunity to collect and organize all the relevant information. Of course, Treasury will cooperate fully with OGE and Special Counsel Fiske. Again I want to reiterate my appreciation for the dedication and hard work of Treasury staff. I'm anxious for OGE to complete its work and look forward to receiving their advice.

I appreciate your support and understanding in this matter.

11:00 P.M.

WHY INVESTIGATE

Q. The White House has stated that there was nothing wrong with Treasury officials meeting with White House officials on Madison Guaranty Savings and Loan. Why is it then that you have requested an investigation of these meetings? Doesn't this suggest that Treasury officials did something wrong?

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Q. Before the meetings, did anyone at Treasury contact Treasury's ethics counsel? Is there an opinion or memo in writing?

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Q. Why the Office of Government Ethics? Why isn't Treasury conducting its own investigation?

A. OGE is an independent office charged with overseeing the standards of conduct applicable to Executive branch employees. I can't think of a better office to determine whether these meetings raise any ethics or conflicts issues.

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Q. How long will it take the Office of Government Ethics to provide you with its conclusions?

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OGE REPORT PUBLIC

Q. Will you make OGE's report public?

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DRAFT

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Q. Why didn't the White House ask OGE to investigate these meetings?

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(Source: White House spokeswoman Dee Dee Myers quoted in the Wall Street Journal (3/4/94): "We'll cooperate fully with the special counsel and the [ethics office].")

OGE DOESN'T INVESTIGATE

Q. Isn't it true that the Office of Government Ethics does not conduct investigations; that it only provides assessments based on investigations conducted by other agencies?

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Q. The Washington Post reported that the RTC has a policy on the confidentiality of investigations and criminal referrals that would make any release of such information improper. Don't these meetings violate that policy?

A. I would expect that would be an issue which OGE will examine.

NO IG INVESTIGATION

Q. Didn't Congressman Wolf ask Treasury's Inspector General to conduct an investigation?

A. Yes, he did, and Treasury's Acting Inspector General had decided, without consulting with me, to initiate an investigation. However, when the Inspector General learned that the Treasury Department had received a subpoena from the Special Counsel, again at his own initiative, he contacted Special Counsel Fiske before beginning the investigation. Mr. Fiske does not want him to investigate and the IG, as always, on his own, agreed not to do so.

ASK FOR IG INVESTIGATION?

Q. Why didn't you ask Treasury's Inspector General to investigate the meetings with White House staff?

A. Because the allegations that were made involved ethics and conflict of interest questions, and the Office of Government Ethics is the proper authority to resolve such issues.

ASK FOR SPECIAL COUNSEL INVESTIGATION?

Q. Why didn't you refer this matter to the Special Counsel?

A. The Special Counsel makes his own decisions about what to investigate. The Special Counsel has now issued a subpoena to the Department, and Treasury is cooperating fully with the Special Counsel. I am told that the Special Counsel's investigation is expected to take a few months. My desire has been that this matter be looked at as quickly as possible, and I asked OGE to do so.

EXTRAORDINARY STEPS TO PROTECT DOCUMENTS

Q. What extraordinary steps has Treasury taken to cooperate with the Special Counsel?

A. The Department has essentially frozen its normal processes to ensure that there is not even an appearance that relevant material is lost. The normal processes for disposing of recycled paper, information on computer hard disks, old electronic mail messages and even yesterday's lunch have been stopped. We've had to use a warehouse in Alexandria to hold the garbage overflow. We've called in special inspectors and internal auditors from Treasury's bureaus to search and evaluate all material that is even conceivably relevant in all of our senior officials' offices. I even insisted that my computer be taken away for the search. Basically, we've tried to figure out every possible step to comply with the Special Counsel's subpoena, and then we've gone two steps beyond that.

PROTECTING MADISON DOCUMENTS

Q. What are you doing to protect documents related to Madison Guaranty and Whitewater?

A. After receiving the subpoena from Special Counsel Fiske, the Department's Executive Secretary directed the identification, collection and preservation of all documents and other material responsive to the subpoena. We are fully cooperating with Special Counsel Fiske's investigation.

DRAFT

COOPERATE WITH CONGRESS?

Q. I have no choice but to conclude that you have decided not to cooperate with Congress' oversight of Madison matters?

A. As you know, I spent thirty years at this end of Pennsylvania Avenue; I have the greatest respect for the Congress. It's not a question of cooperating with Congress; it's a question of setting priorities. Which is more important: the Special Counsel's full and careful consideration of and action on any prosecutions for wrongdoing or early public hearings on the matter. As the court overturning an independent counsel prosecution noted:

> The government must occasionally decide which it values more: immunization (perhaps to discharge institutional duties, such as congressional fact-finding and information-dissemination) or prosecution. If the government chooses immunization, then it must understand that the Fifth Amendment ... mean[s]

that it is taking a great chance that the witness cannot constitutionally be indicted or prosecuted.

NO IMMUNITY -- NO PROBLEM?

Q. There is no intention to grant immunity to any witnesses; without immunity there is no risk to prosecutions?

A. Even if individuals aren't granted immunity, public congressional testimony let's other witnesses tailor their testimony. It gives them a road map I'm sure the Special Counsel doesn't want them to have. Besides, I doubt that any individuals guilty of actual wrongdoing or worried that others will perceive them to be so are going to testify. Without their testimony, the only purpose to Madison-related inquiries at this stage is to create political theater.

these meetings be examined from an ethical and conflicts perspective.

OGE INTERFERE WITH FISKE?

Q. If you're concerned that congressional or other investigations will interfere with the Special Counsel, why have you asked OGE to investigate?

A. I've asked OGE to provide me their judgments as to whether what's been done violates the ethics rules. If they can't make those judgments on the basis of what they already know, I have every confidence that they will do nothing to jeopardize Mr. Fiske's work. In fact, they are seeking his views to ensure that.

JOSHUA STEINER

STEINER TELL ABOUT MEETINGS?

Q. Mr. Steiner is your chief of staff. He didn't tell you about the meetings?

A. Mr. Steiner -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

STEINER INVOLVEMENT IN RTC?

Q. Why would Mr. Steiner be involved in RTC matters?

A. Mr. Steiner is not directly involved in RTC matters. He is, however, responsible for liaison between the Treasury Department and the White House -- and attends many meetings with White House staff.

STEINER INVOLVEMENT IN WH/MADISON?

Q. Why would Mr. Steiner be involved in meetings with the White House on Madison Guaranty?

A. One of Mr. Steiner's responsibilities is to serve as liaison between the Department and the White House. He attends many meetings with White House staff on a variety of subjects.

JEAN HANSON MATERIAL FOLLOWS

JEAN HANSON

HANSON TELL ABOUT MEETINGS?

Q. Ms. Hanson is your General Counsel. She didn't tell you about the meetings?

A. Ms. Hanson -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

DRAFT

HANSON INVOLVEMENT IN RTC MATTERS?

Q. Why would Ms. Hanson be involved in RTC matters?

A. From the outset of Mr. Altman's appointment as interim CEO of the RTC, there was no permanent RTC General Counsel and no Deputy RTC CEO. Accordingly, there was a need to involve a small number of Treasury staff to provide support, including Treasury General Counsel Jean Hanson.

HANSON IN WH/MADISON GUARANTY MEETINGS?

Q. Why would Ms. Hanson be involved in meetings with the White House on Madison Guaranty?

A. During Mr. Altman's long tenure as interim CEO, it has been necessary for her to provide legal support on a variety of RTC-related matters.

HANSON INTERRUPT ALTMAN AT FEB. 24

Q. Why did Ms. Hanson not interrupt Mr. Altman at the February 24 Senate hearing and mention to him the meetings last fall?

A. I have not discussed this with Ms. Hanson, but knowing her as I do, I am satisfied that there was no intention of concealing any information.

ROGER ALTMAN

ALTMAN TELL ABOUT MEETING?

Q. Mr. Altman is the Deputy Secretary of the Treasury. He didn't tell you about the February meeting?

A. Mr. Altman -- and my senior staff -- is well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

ALTMAN INVOLVED IN RTC?

Q. Why would Mr. Altman be involved in RTC matters?

A. Mr. Altman is the interim CEO of the RTC. In that capacity he is involved in RTC matters.

ALTMAN IN WH/MADISON MEETING?

Q. Why would Mr. Altman be involved in White House meetings on Madison Guaranty?

A. Mr. Altman is interim CEO of the RTC.

JACK DeVORE

DEVORE TELL ABOUT MEETING?

Q. Mr. DeVore was a long-time aide to you before you became Treasury Secretary. He didn't tell you about the meetings?

A. Mr. DeVore was -- and my senior staff is -- well aware that my only responsibility related to the RTC is as Chairman of the Oversight Board -- and the Oversight Board is statutorily responsible for reviewing the overall strategies, policies and goals of the RTC. It does not have any authority to involve itself in case-specific matters such as Madison Guaranty.

DEVORE INVOLVED IN RTC MATTERS

Q. Why would Mr. DeVore be involved in RTC matters and why would he have attended a meeting at the White House on Madison?

A. Mr. DeVore was Treasury's Assistant Secretary for Public Affairs until November 1993. He was not directly involved in RTC matters, but it is my understanding that Treasury had received press inquiries concerning Madison Guaranty, presumably because Mr. Altman was the interim CEO of the RTC. I assume there was a desire to discuss responses to the press.

NUSSBAUM RESIGNATION

Q. The White House Counsel Bernard Nussbaum has resigned as a result of these meetings. Shouldn't Treasury's Deputy Secretary, General Counsel and Chief of Staff -- who participated in these meetings -- also resign?

A. I can't say why Mr. Nussbaum resigned -- that is something for him to say. I see no reason for Roger Altman, Jean Hanson or Josh Steiner to resign. As I said last Thursday, they have my full confidence. I have asked the OGE to review the facts and circumstances surrounding this matter and report back to me.

D R A F T -- March 9, 1994

Q. Is it true that certain Treasury staff members met with White House staff on Madison?

A. As you have, I have read the papers and I know that meetings took place. However, I was not involved in the meetings and I do not know what occurred in them. As Chairman of the Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC.

[Background: The Conference Report accompanying FIRREA (Aug. 4, 1989), provides at page 410:

"The Oversight Board will review and have overall responsibility for the RTC's activities. The Oversight Board will not, however, be involved in or responsible for case specific matters involving individual institutions, specific asset dispositions or generally the day-to-day operations of the RTC."]

D R A F T -- March 9, 1994

Q. What actions did you take when you learned that the meetings had occurred?

A. I instructed Treasury officials to have no further contact with the White House concerning Madison Guaranty and I asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues.

DRAFT -- March 9, 1994

Q. So, at this point, OGE, an independent government agency, has taken up an investigation?

A. Yes, I have asked OGE to undertake this review, but I understand that OGE has asked to meet with Special Counsel Fiske to discuss whether he has any objection to OGE's review.

D R A F T -- March 9, 1994

Q. Before the meetings, did anyone at Treasury contact Treasury's ethics counsel? Is there an opinion or memo in writing?

A. I don't know if there is a written opinion, but I understand that the ethics counsel was consulted before the February 1994 meeting and did not object to it.

D R A F T -- March 9, 1994

Q. What are you doing to protect documents related to Madison Guaranty and Whitewater?

A. After receiving the subpoena from Special Counsel Fiske, the Department's Executive Secretary directed the identification, collection and preservation of all documents and other material resposive to the subpoena.* We are fully cooperating with Special Counsel Fiske's investigation.

trash, burn
bags recycled
? word disks
email logs

DRAFT -- March 9, 1994

Q. Are you aware of any other meetings or conversations about Madison Guaranty between Treasury and the White House?

Hanson suggested answer:

A. I understand that there was a fourth meeting on February 3 which Mr. Altman attended, but Ms. Hanson did not.

D R A F T -- March 9, 1994

Q. Are you aware of any other meetings or conversations about Madison Guaranty between Treasury and the White House?

Alternative answer:

A. I am not aware of any, but as I have said before, rather than conduct my own fact-finding on this matter, I have directed Treasury's staff to fully cooperate with OGE to assemble the facts and circumstances of these meetings.

D R A F T -- March 9, 1994

Q. Mr. Secretary who is this unnamed ethics official who was alleged to have cleared Mr. Altman's meeting with White House Counsel Nussbaum?

A. Treasury's Designated Agency Ethics Official is Dennis Foreman, a Bush Administration appointee to the Deputy General Counsel position. Dennis has nearly twenty years of Government service, all in career positions except for his current job, and has provided ethics advice to Government officials at the State Department and at Treasury for many years.

DRAFT -- March 9, 1994

Q. Do you agree with the clearance by Treasury's ethics official of the February meeting with the White House?

A. It is not appropriate for me to agree or disagree with Treasury's ethics people's advice. The point of having ethics officials is to have someone who gives independent advice on whether something violates the ethics rules.

D R A F T -- March 9, 1994

Q. I have no choice but to conclude that you have decided not to cooperate with Congress' oversight of Madison matters?

A. As you know, I spent twenty years at this end of Pennsylvania Avenue; I have the greatest respect for the Congress. It's not a question of not cooperating with Congress; it's a question of setting priorities. Which is more important: the Special Counsel's full and careful consideration of and action on any prosecutions for wrongdoing or early public hearings on the matter. As the court which overturned the Oliver North prosecution noted:

> The government must occasionally decide which it values more: immunization (perhaps to discharge institutional duties, such as congressional fact-finding and information-dissemination) or prosecution. If the government chooses immunization, then it must understand that the Fifth Amendment ... mean[s]

that it is taking a great chance that the witness cannot constitutionally be indicted or prosecuted.

DRAFT -- March 9, 1994

10:45 P.M.

WHY INVESTIGATE

Q. The White House has stated that there was nothing wrong with Treasury officials meeting with White House officials on Madison Guaranty Savings and Loan. Why is it then that you have requested an investigation of these meetings? Doesn't this suggest that Treasury officials did something wrong?

A. I have full confidence in the professionalism and integrity of the dedicated and hard-working public servants at Treasury who were involved in these meetings. I have simply asked the Office of Government Ethics to advise me whether these meetings raise any ethics or conflicts issues.

Given the treatment these meetings have been given, and the suggestion by certain Congressional members that these meetings violated some rule or standard

DRAFT -- March 9, 1994, 4:45 p.m.

Q. Any Question about Madison Guaranty Savings and Loan Association.

A. I am very conscious of the serious concerns raised about several meetings between present and former Treasury officials and White House staffers concerning matters that have some relationship with Madison Savings and Loan Association. As I've said before, I did not attend any of these meetings. I have the highest regard for the integrity of the hard-working public servants who attended the meetings.

Nevertheless, I understand the concerns about ethics and appearances that have arisen. Accordingly, I directed Treasury staff to work with the Office of Government Ethics to assemble all of the facts and circumstances about these meetings. In this way, OGE can advise me about any ethics or conflicts matters that may arise from these facts. This fact-finding effort is currently far from complete.

As you know, I spent __ years in Congress in both the House and the Senate, and I have certainly want to cooperate with Congressional oversight. However, the question is not whether I want to cooperate; the question is what best advances the public interest in correct resolution of Madison matters.

As you know, in response to numerous calls from Republican

Congressmen for appointment of a special counsel to look into any possible wrongdoing in the Madison Guaranty matter, Robert Fiske, a Republican with impeccable prosecutorial credentials, has been appointed as special counsel. It is critically important that he be permitted to perform the fact-finding and prosecutorial functions for which he was appointed without interference.

Treasury and several of its senior officials have been served with subpoenas by Special Counsel Fiske for any and all documents and other materials related to these meetings. The subpoenas are continuing and direct that responsive documents be produced on March 10 and that several individuals testify before a grand jury on the same date. We are taking extraordinary steps at the Department to ensure full and prompt compliance with the subpoenas. The Department's Executive Secretary directed the identification, collection and preservation of all documents and other material responsive to the subpoena. In addition, Treasury staff has been instructed not to shred or otherwise destroy any documents, regardless of the subject matter, until the Department has complied fully with the subpoena.

We hope that the Congress also will cooperate with the Special Counsel's work. As you know, a conviction that was obtained by an independent counsel in the Iran-Contra matter has been overturned by the courts because of interference that resulted from Congressional hearings into the matter. For that reason, I hope that Congress will permit Special Counsel Fiske's investigation to proceed without creating the risk that immunized testimony given at Congressional hearings will subvert prosecutions.

I understand that the Special Counsel has expressed concern that his work can be jeopardized even if immunity is not granted. Testimony at hearings gives other witnesses the opportunity to tailor their testimony. What the American people want is the truth; they do not want political theatre. I certainly hope that Congress will not jeopardize the Special Counsel's work.

The Special Counsel himself has recognized that the potential for jeopardizing his work is real. Treasury's Acting Inspector General had decided to initiate an investigation into Madison-related meetings in response to a request from Congressman Wolf, but, on his own, without consulting with me, the Acting IG consulted with Special Counsel Fiske before proceeding.
The Special Counsel asked that their not be an IG investigation, and there won't be one. Special Counsel Fiske has sent letters to Senator Riegle, Chairman of the Senate Banking Committee, and Representative Gonzalez, Chairman of the House Banking Committee, requesting that congressional hearings not be held on these matters. I understand that Special Counsel Fiske met with Senators D'Amato and Cohen today and reiterated his request that there not be Congressional hearings into Madison matters while the Special Counsel continues his work. Further, I understand that OGE has requested a meeting with Special Counsel attorneys

to discuss the OGE review of these meetings.

Given all of these circumstances, it would serve no purpose for me to discuss these meetings in any detail today. This is not the time or place. Nor have I gathered the facts regarding these meetings. As Chairman of the Thrift Depositor Protection Oversight Board, I take my responsibilities very seriously. Congress limited the Board's and my involvement solely to policy oversight over the RTC and instructed that neither it nor I become involved in case-specific matters involving individual institutions or the day-to-day operations of the RTC. I am anxious for the OGE report on the facts and circumstances to be provided to me as expeditiously as possible. I am as eager as anyone to get the facts out; in the end, I believe that will clear the names of the dedicated public servants.

I believe that this is the most careful and thorough, and fairest way to deal with these issues. It ensures that Special Counsel Fiske and OGE have the unimpeded opportunity to collect and organize all the relevant information. Of course, Treasury will cooperate fully with OGE and Special Counsel Fiske. Again I want to reiterate my appreciation for the dedication and hard work of Treasury staff. I'm anxious for OGE to complete its work and look forward to receiving their advice.

I appreciate your support and understanding in this matter.

QUESTIONS FOR MR. LIGHTFOOT
MARCH 8, 1994

FOR SECRETARY BENTSEN

504 1. SINCE YOUR STATEMENT INDICATES THAT OVER 40 PERCENT OF YOUR MAIL HAS BEEN ABOUT CRIME AND LAW ENFORCEMENT INITIATIVES, I'M A LITTLE SURPRISED THAT YOU WERE WILLING TO GO ALONG WITH CUTS IN LAW ENFORCEMENT FTES IN TREASURY'S BUREAUS. IF CRIME IS SUCH A HIGHER PRIORITY, WHY CUT THOSE NECESSARY PERSONNEL?

505 2. YOU HAVE PROPOSED A NUMBER OF NEW USER FEES FOR TREASURY BUREAUS. I'M SURE IT'S NO SECRET I AM NOT A FAN OF INCREASING USER FEES. WHAT WILL YOU DO IF CONGRESS DOES NOT AUTHORIZE THESE INCREASED FEES?

506 3. YOUR ATF PROPOSALS TO DRAMATICALLY REDUCE THE NUMBER OF FEDERAL FIREARMS LICENSEES WOULD, IT APPEARS, LARGELY CUT OUT THE SMALLER DEALERS -- THOSE WHO CANNOT AFFORD THE $600 FEE. DO YOU BELIEVE SMALLER DEALERS OR LARGER DEALERS ARE MORE LIKELY TO BE THE SOURCE OF FIREARMS USED IN THE COMMISSION OF VIOLENT CRIMES?

83% [illegible] from dealers [illegible] [illegible] [illegible]

ABOUT WHITE HOUSE ETHICS VIOLATIONS:

Foreman for 507 DGC

1. DID EITHER YOU, OR DEPUTY GENERAL COUNSEL DENNIS FOREMAN, WHO I UNDERSTAND IS TREASURY'S CHIEF ETHICS OFFICER, RECEIVE ADVANCE NOTIFICATION OF MEETINGS WHICH TOOK PLACE BETWEEN TREASURY DEPARTMENT OFFICIALS AND WHITE HOUSE OFFICIALS REGARDING THE WHITEWATER INVESTIGATION?

508 2. IF NOT, WHY NOT?

509 3. WHEN DID YOU, OR DEPUTY GENERAL COUNSEL FOREMAN, FIRST RECEIVE NOTIFICATION THAT THESE MEETINGS HAD TAKEN PLACE?

510 4. I FIND IT AMAZING THAT SUCH MEETINGS WOULD NOT RAISE ETHICAL QUESTIONS, PARTICULARLY IN LIGHT OF THE MEMO ISSUED LAST YEAR BY THE WHITE HOUSE FOLLOWING THE TRAVEL OFFICE INCIDENT, WHICH CAUTIONED ADMINISTRATION OFFICIALS AGAINST MEETING WITH REGULATORY AGENCIES INVESTIGATING, OR ABOUT TO UNDERTAKE AN INVESTIGATION, OF THE AGENCY IN QUESTION. WHY WERE YOU AND DEPUTY GENERAL COUNSEL FOREMAN NOT GIVEN ADVANCE NOTIFICATION, PARTICULARLY IF MR. FOREMAN IS TREASURY'S CHIEF ETHICS OFFICER?

511 5. IF YOU CANNOT COMMENT ABOUT THIS MATTER, WHEN DO YOU EXPECT THE OFFICE OF GOVERNMENT ETHICS TO REPORT BACK TO YOU ON THIS MATTER?

The Honorable Frank R. Wolf
Treasury, Postal and General Government Appropriations
Questions for Secretary Bentsen

WHITE HOUSE/TREASURY MEETINGS ON MADISON-WHITEWATER

1. Last Friday I requested that your Treasury Inspector General conduct an investigation of the recent meetings of Treasury officials with the White House. Yesterday I was informed that in contacting the special counsel regarding this matter, the IG's office was told not to proceed with their investigation while the special counsel's investigation is addressing this matter. ~~512~~

- 512 What is your understanding of the status of the OGE investigation that you requested in light of the subpoenas issued by Special Counsel Fiske? Will their investigation continue and will they also be asked to discontinue any action while the special counsel pursues this matter?

- 513 Why did you choose to ask the Office of Government Ethics to review this matter rather than your own Treasury IG?

- 514 Were you aware that the Office of Government Ethics does not conduct investigations? Did you know that they actually only review the investigations of other agencies which in this case would be the White House?

- 515 Did you know that in this case an OGE investigation would consist of the White House Counsel's office investigating itself and then the OGE subsequently reviewing this investigation?

2. Were you aware of Congressman Leach's February 3, 1994 letter to Mr. Altman asking him to recuse himself from RTC matters? ; It was reported in the press

- 516 Did you discuss this matter with Mr. Altman at that time?

- 517 Were you aware of Mr. Altman's letter last year recommending against extension of the statute of limitations for civil lawsuits brought against S&L wrongdoers? Did you support this decision? Do you realize this recommendation would have in effect precluded suits against Madison-Whitewater? Did anyone at the Department lobby against this provision when it passed last year?

518 - Does it bother you that the meetings that Mr. Altman had were conducted after the request made by Mr. Leach for Mr. Altman to recuse himself?

519 - Mr. Leach wrote to Mr. Altman on February 3, "it has been an awkward situation to have a presidentially appointed and confirmed officier of the Treasury Department also head an independent federal agency, the Resolution Trust Corporation." Why has it taken over a year for the Clinton Administration to appoint an RTC head?

520 - How can a political appointee of an executive branch department make what are in effect law enforcement decisions for a independent federal agency if they touch upon the President as they may in this case?

521 - Do you think it is ethically questionable for a political appointee of the Department of Treasury to make decisions for an independent federal agency when the President or the First Lady may be implicated in enforcement and civil actions?

522 Given recent events, was not Mr. Leach's letter asking for a recusal by Mr. Altman appropriate?

3. In a February 23, 1993 letter General Counsel Jean Hanson wrote to Congressman Leach that Deputy Secretary Altman consulted ethics officials at the RTC and Treasury's Designated Agency Ethics official in consultation with the Office of Government Ethics.

523 - Could you provide for this committee these ethics advisory opinions.

524 - Given that this letter was written after both Mr. Altman's meetings with the White House staff and Ms. Hanson's two meetings with White House staff, does this raise any concern in your mind?

525 - Do you believe this Feb. 23, 1993 from the General Counsel

- 532 When news of Mr. Altman's meetings came to light did you discuss this matter with him or any other members of your department? If so, what action did you take?

- 533 Is it your understanding that Mr. Altman knew of the previous meetings?

- 534 If the press had not reported the meetings last fall would we know about them today?

- 535 If the Senate had not conducted hearings in which Mr. Altman discussed these meetings would we know about them today?

- 536 How do we know if there were other meetings?

- 537 Do you think it was proper for Ms. Hanson to fail to disclose her role in earlier meetings in the hearings that she attended with Mr. Altman?

5. 538 Aside from the subpoenas, what actions do you deem appropriate as the Secretary of Treasury in dealing with a staff that did not inform you of meetings you consider improper?

6. 539 What efforts have you made at the Treasury Department to assure that all documentation and records of these meetings are preserved? Has a memo gone out to the Treasury Department employees similar to that issued by the White House? Have you issued any new guidelines on the propriety of meetings?

7. 540 Last Friday The New York Times called for you to remove Roger Altman immediately from his RTC post. Why haven't you? What will happen if Whitewater-Madison issues come up before the end of the month? Have you talked with Mr. Altman about this meeting?

8. 541 The New York Times also said you "had cause to remove Jean Hanson, the Treasury Counsel, for briefing Mr. Nussbaum in advance on where the supposedly independent RTC investigation was going. Do you agree? If not, why not?

9. 542 The White House has repeatedly said the Treasury Ethics officer signed off on these meetings. Could you discuss this. Did your in house ethics officer sign off on all of these meetings? Have you discussed this matter with the Treasury ethics officer? What did you discuss?

10. The Wall Street Journal quoted you as saying "I did not attend any of these meetings nor was I informed of many of these meetings.
543 Did you know of some of the meetings? Which ones and when did you know?

11. Mr. Nussbaum in his resignation seemed to confuse his role as White House Counsel as being the President's personal lawyer rather than
544 the White House lawyer. While presidential appointees obviously serve at the pleasure of the President, are you satisfied that the Treasury General Counsel understands she represents the Treasury Department and the U.S. government and not the President?

12. /Currently the RTC general counsel post is vacant and the Treasury General Counsel, Jean Hanson is reportedly overseeing many of the RTC's legal matters. Will this continue? Has Ms. Hanson recused
545 herself from any Madison-Whitewater or other matters related to White House personnel? When do expect a new RTC general counsel to be on board? Have you discussed possible appointments with the President?

13. There are a number of Key spots
at Treasury that are still vacant --
the RTC general counsel, the Inspector
General and the head of the RTC -
546 Given that these are Key sensitive
positions and that these individuals
may very well have to handle
sensitive matters regarding Madison-
Whitewater, shouldn't these position
be filled promptly? When do you
expect nominations to be made?
Have you forwarded candidates?
Have you been involved in the

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

1. Several weeks ago on a Sunday news show you said you would turn over the results from the ATF's investigation of the gun found at the sight of Vince Foster's death.

547 – What is the status of this report?

548 – Why was it not released before now?

549 – When was the gun sent to the ATF lab and why the delay of several weeks in sending it there?

2. 550 Why wasn't the director of the Bureau of Alcohol, Tobacco and Firearms informed that the gun was sent to the ATF lab in Rockville until recently?

EXHIBIT 18

XEH

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FILE - "A:XEH"

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(Additional).onal)...HPLAIIAD.PRS...Senator Bond:  How was the White House notified of the
referral?..Mr. Altman:  They weren't notified by the RTC to the best of my  .knowledge...Senator
Bond:  Nobody in your agency  to your knowledge advised.the White House staff that this was
going to be a major..this.could be a major source of concern?..Mr. Altman:  Not to my
knowledge.......b.VL........"...............0•0•0•....P....."........b.VL.......Q:  Did you have any conversations
with White House staff on the.referral?..A:  On September 29, I had a brief conversation with Mr.
Nussbaum.following a meeting on another matter.  I told him that I.understood that there might be
press inquiries concerning a.possible criminal referral out of the RTC relating to Madison.Guaranty
[and that I understood that the President and the First.Lady were mentioned as possible
witnesses]...Q:  Why did you have that conversation?..A:  I told him on a confidential basis and as a
courtesy, lawyer.to lawyer.  I believed that, if there were a press inquiry, the.press office would
come to him and he would want to be as.prepared as he could be to respond.  This was not a
completely.new issue.  I recalled that there was a New York Times article.relating to Madison
Guaranty that had appeared during the.campaign and I assumed that he would want to
refamiliarize.himself with the background of Madison Guaranty before he was hit.out of the blue
with a question on it.  It was what I would.expect another lawyer would do for me if I were going
to be.placed in the situation of responding to a press inquiry that.required some background
work...Q:  Was anyone else present?..A:  I believe that Cliff Sloan, another White House attorney,
was.there.  This was a lawyer.to.lawyer conversation...Q:  What else did you tell him?..A:  I don't
recall that I told him anything else.  ..Q:  Wasn't it unusual to tell the White House about
criminal.referrals?..A:  It is not unusual to apprise another counsel on a.confidential basis of an
issue that may come before them on a.press inquiry.  The issue related to a possible press inquiry.
..Q:  Isn't it against the law, or at least policy, to "tip".someone on a criminal referral?...A:  No.
This was not a public disclosure of possible criminal.referral.  It was a confidential conversation,
lawyer to lawyer,.intended to simply apprise a lalwyer of an issue that he might.have to deal with.
It was not a violation of law or policy...Q:  Are you saying that lawyers can have conversations
that other.people cannot?  That lawyers can talk about things that other.people are not permitted
to talk ab'......................1.F...H.............AA......+.......P...i......"..d....  8..x..  ..a....g.......P..{sc............!.ssbaum
tice that there was as issue that he might.be called upon to address in terms of a press inquiry so
that he.could do the background work to prepare for it...Q:  But didn't you expect him to tell
```

others? In fact, didn't.you expect that he would tell others in the White House?..A: I didn't expect him to do that. I expected that he would use.the information to prepare himself for an inquiry. ..TQ: Who in Treasury or the RTC knew that you had this.conversation?..A: I don't recall that I told anyone of the conversation...Q: Did you tell Mr. Altman?..A: No...q: Did anyone ask you to have this conversation?..A: No. ..Q: Did you have any further conversations with anyone from the.White House on this matter?..A: I attended a meeting with several people on October 14 to.discuss a press inquiry and procedures to handle press inquiries.on Madison Guaranty. I had little to add because I knew nothing.more about the issue and I was not involved in the handling of.press inquiries...Q: Then why did you attend? ..A: The conversation related to procedure and processing of press.inquiries. Mr. Nussbaum attended, It is routine for senior.lawyers to talk about procedural matters, even in criminal.matters, and even those that afffect a President...Q: Did you have any other conversations with Mr. Nussbaum or his.staff, or anyone else from the White House on this matter?..A: Nothing of substance that I can recall other than the meeting.on February 2 with Mr. Altman that has previously been addressed...Q: You had no conversations with the White House on this matter?..A: Shortly after my initial conversation with Mr. Nussbaum, the.Madison Guaranty issue became public. ....

Program finished...

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* NOTE: UNABLE TO PRINT FILE FROM WORDPERFECT SOFTWARE, FILE WAS PRINTED AS IT APPEARS AS IT DOES ON DISKETTE.

EXHIBIT 19

FILE XEH.BAK

Senator Bond: How was the White House notified of the referral?

Mr. Altman: They weren't notified by the RTC to the best of my knowledge.

Senator Bond: Nobody in your agency to your knowledge advised the White House staff that this was going to be a major--this could be a major source of concern?

Mr, Altman: Not to my knowledge.

Q: Did you have any conversations with White House staff on the referral?

A: On September 29, I had a brief conversation with Mr. Nussbaum following a meeting on another matter. I told him that I understood that there might be press inquiries concerning a possible criminal referral out of the RTC relating to Madison Guaranty [and that I understood that the President and the First Lady were mentioned as possible witnesses].

Q: Why did you have that conversation?

A: I told him on a confidential basis and as a courtesy, lawyer to lawyer. I believed that, if there were a press inquiry, the press office would come to him and he would want to be as prepared as he could be to respond. This was not a completely new issue. I recalled that there was a New York Times article relating to Madison Guaranty that had appeared during the campaign and I assumed that he would want to refamiliarize himself with the background of Madison Guaranty before he was hit out of the blue with a question on it. It was what I would expect another lawyer would do for me if I were going to be placed in the situation of responding to a press inquiry that required some background work.

Q: Was anyone else present?

A: I believe that Cliff Sloan, another White House attorney, was there. This was a lawyer-to-lawyer conversation.

Q: What else did you tell him?

A: I don't recall that I told him anything else.

Q: Wasn't it unusual to tell the White House about criminal referrals?

A: It is not unusual to apprise another counsel on a confidential basis of an issue that may come before them on a press inquiry. The issue related to a possible press inquiry.

Q: Isn't it against the law, or at least policy, to "tip" someone on a criminal referral?

A: No This was not a public disclosure of possible criminal referral. It was a confidential conversation, lawyer to lawyer, intended to simply apprise a lalwyer of an issue that he might have to deal with. It was not a violation of law or policy.

Q: Are you saying that lawyers can have conversations that other people cannot? That lawyers can talk about things that other people are not permitted to talk about?

A: Again, this was a confidential conversation intended only to put Mr. Nussbaum on notice that there was as issue that he might be called upon to address in terms of a press inquiry so that he could do the background work to prepare for it.

Q: But didn't you expect him to tell others? In fact, didn't you expect that he would tell others in the White House?

A: I didn't expect him to do that. I expected that he would use the information to prepare himself for an inquiry.

TQ: Who in Treasury or the RTC knew that you had this conversation?

A: I don't recall that I told anyone of the conversation.

Q: Did you tell Mr. Altman?

A: No.

q: Did anyone ask you to have this conversation?

A: No.

Q: Did you have any further conversations with anyone from the White House on this matter?

A: I attended a meeting with several people on October 14 to discuss a press inquiry and procedures to handle press inquiries on Madison Guaranty. I had little to add because I knew nothing more about the issue and I was not involved in the handling of press inquiries.

Q: Then why did you attend?

A: The conversation related to procedure and processing of press inquiries. Mr. Nussbaum attended, It is routine for senior lawyers to talk about procedural matters, even in criminal matters, and even those that afffect a President.

Q: Did you have any other conversations with Mr. Nussbaum or his staff, or anyone else from the White House on this matter?

A: Nothing of substance that I can recall other than the meeting on February 2 with Mr. Altman that has previously been addressed.

Q: You had no conversations with the White House on this matter?

A: Shortly after my initial conversation with Mr. Nussbaum, the Madison Guaranty issue became public.

Activity: ( ) Personal ( ) Telephone ( ) Records Rev (X) Other	Inspection Service MEMORANDUM OF ACTIVITY	Date and Time: March 10,1994

Activity or Interview of: Inventory of records obtained from Veronica Dawson, Secretary to Jean Hanson, General Counsel Treasury Department	Conducted by: Inspector John P. Rush Location Of Interview/Activity: Treasury Department

Subject Matter/Remarks

The following records were obtained from Veronica Dawson on March 9, 1994 in the Offices of the General Counsel. These records were provided by Dawson as a result of her search of her safe (closest to the conference room) located in the room between her office and the conference room. These records were described as being held for destruction.

Seven pages headed by questions Re: Recusal. The first page is headed "Why are you unwilling to recuse yourself?" Marked no. 854 to 860.

Briefing book first page titled Table of Contents Re: Madison/Whitewater with notation "superseded". Marked no. 861 to 945.

Briefing book titled Madison/Whitewater Questions with notation "superceded". Marked no. 946 to 1028.

One page headed Madison/Whitewater conversations. Marked no. 1029.

Twelve pages titled Whitewater/Madison: Recusal notated "draft", dated 2/22/94. Marked 1030 to 1041.

Handwritten notes in pencil starting with "This conversation took place in anticipation of press inquiries. Marked no. 1042 and 1043.

Two pages of a Question and Answer Statement torn in two. Marked 1044 to 1047.

Two pages titled "Questions" numbered 1 through 36. Marked 1048 and 1049.

Two pages titled Madison/Whitewater: Conversations with the White House with corrections. Marked no. 1050 and 1051.

One page titled "Possible Press Statement". Marked no. 1052.

One page titled "Press Statement". Marked no. 1053.

Three corrected versions of document titled "Possible Press Statement". marked no. 1054 to 1056.

Five corrected versions of document titled "Press Statement". Marked no 1057 tc 1061.

Untitled page providing chronology for period 1/14 -2/10. Marked no. 1062.

Eleven pages titled" Index: Questions and Answers", notated "draft", dated 02/15/94 4:25 pm. Marked no. 1063 to 1073.

Two pages of questions and answers starting "Senator Bond: ...". Marked no. 1074 and 1075.

Two pages of questions and answers starting "someone on a criminal referral..." Marked no. 1076 and 1077.

Envelope containing torn pieces of paper. A copy of a document patched together is attached to the envelope. The copy of the document relates to Madison Guaranty, Chronology, "draft". Marked no. 1085.

Case Name:	**Case Number:**

FORM 8052

Activity: ( ) Personal ( ) Telephone ( ) Records Rev (X) Other	Inspection Service MEMORANDUM OF ACTIVITY	Date and Time· March 10,1994

Activity or Interview of: Inventory of records obtained from Veronica Dawson, Secretary to Jean Hanson, General Counsel Treasury Department	Conducted by: Inspector John P. Rush
	Location Of Interview/Activity: Treasury Department

Subject Matter/Remarks

The following records were obtained from Veronica Dawson on March 9, 1994 in the Offices of the General Counsel. These records were provided by Dawson as a result of her search of her chronological files located on a shelf to the right and behind her desk and in the correspondence file cabinet located to the right of the doorway as you enter the General Counsel's Office.

Memorandum for Roger C. Altman, from Jean E. Hansen, Subject: The Rose Law Firm, dated September 30, 1993, two pages. Marked no. 845 and 846.

Questions and Answers titled "Madison/Whitewater: Conversations with the White House", two pages. Marked no. 847 and 848.

Questions and Answers titled "Cravath Bill", one page. Marked no. 849.

Questions and Answers titled "Madison Guaranty/Whitewater", one page. Marked no. 850.

Questions and Answers titled "PLS", one page. Marked no. 851.

Untitled page starting with "The conversation took place in anticipation of press inquiries", one page. Marked no. 852.

One page providing chronology for period Monday 1/24/94 to Thursday 2/10/94. Marked no. 853.

Case Name:	Case Number:

FORM 8052

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FILENAME: A:\Q_220\27.DAT     TUE 3/22/1994, 09:32

DISK Q_220

Sector 27:
'....In early February I described to him the process that the RTC  was.undertak
ing in connection with its review of Madison in light of the.then impending Febr
uary 28 deadline, and that I had received.Congressional inquiries on whether I w
ould recuse myself from the.matter.  .(#'......X..........X.'.'....I told him th
at I was reserving judgment on the recusal..(#'............S....-.......X......
........X.'.'....Somewhat later I told him that I was not inclined toward a recu
sal..(#'...........S.y...-......
```

s matter to the Justice Department for.possible criminal review last October.
I was also interim CEO at that time...I was advised at that time that such a
review was being conducted and that a decision on.referral to Justice would be
made. As certain Treasury and RTC officers will attest, I took.the position
that normal procedures should be followed. If such a decision on referral wa
s.typically made at the regional office level, my view was that it should be m
ade that way in.this matter....."..............0*0*0*....7....."............Y
.....-...................#..X.w........... P....7....[AX.P#...What Conversatio
ns Have You Had with the White House on this Matter?.......I've had one substa
ntive conversation. Approximately three weeks ago, Jean Hanson.(Treasury Genera
ssbaum, White House.Counsel. ..The purpose of the meeting was to describe the
procedural reasons for the then impending.February 28 deadline. That was: d
ue to the enactment of the Completion Act, the statute.of limitations was ret
roactively reinstated for certain types of civil claims (those relating to.fra
ud and certain claims relating to intentional misconduct); the extended statut
e of.limitations, as it related to Madison Guaranty, would expire the end of F
ebruary; and the.RTC was in the process of determining whether any claims exis
ted under the extended statute.of limitations. Finally, if it were determined
that any such claims existed, the RTC would.have to determine whether to seek
a tolling agreement or commence litigation...We made clear that we had no ide
a at all what decision would be reached. I did say,.however, that if I receiv
ed a clear recommendation from the RTC's chief legal officer, I.would follow i
t. I also said that I was reserving judgment on a recusal. ..We were only as
ked one question. Did we intend to provide the same briefing on the RTC's.pro
cesses to attorneys for the parties at interest. I said that I assumed so but
would check.with the RTC General Counsel...Jean Hanson did check and was told
"in due course" "I said fine"....."..............0*0*0*.........."........
...Y....-..................Why did you brief the White House on those processe
s?...........Y....-........A...X.....x..Solely to ensure that they understoo
d the legal, procedural, framework within which.the RTC was working. (If you
recall, at that time the February 28 date was the........Y....-....subject
of ...major... attention in the Congress and the press.) It is not uncommon f
or.meetings of this type to take place. The meeting could have taken place be
tween the.lawyers, this was simply a legal briefing with a larger audience..(#
............Y.1...-.................Who else attended that meeting?......Mr.
Ickes., Ms. Williams and one of Mr. Nussbaum's assistants.....V.p............
........Y....-.......A........Were there any other conversations at all.....
.The only other discussion .. which lasted about five minutes .. occurred late
r when indicated.that I was not inclined towards a recusal...........Y.K...-..
..............Has the White House attempted to influence your decision on the
se matters...?...No. It is understood that the RTC must complete the task tha
t it has been given and, of.course, the White House respects the independence
of the RTC...Mr. Altman, have you attempted to influence the RTC's review of t
he Madison Guaranty.matter or the outcome of its decision?..No...........Y.e..
.-...........b.....Why did the Treasury General Counsel accompany you and not
the RTC General Counsel...?...We discussed only the broad procedural framework
of the statute of limitations issue and the.presence of the RTC General Couns
el was not necessary. No specifics were, or were.intended to be, discussed. .
..."..............0*0*0*.........."...........Y.....-...............Are yo
u a close friend of the Clintons?...........Y....-.......I know them well, y
es. Am I one of their very closest circle? No.. ..........Y....-.......u....
.....Do you consider yourself a FOB?......Yes, as I understand that term to be
used...........Y....-..................Do you think your relationship with t
he President should disqualify..........Y....-.......n...... you from playing
any role in Madison?.......As I said, I won't be playing any role and the que
stion is moot, my answer would be no. .When the issue of referring this to Jus
tice arose, my position was that all the normal.procedures should be followed.
In that case, such decisions are often made by regional.offices and my view
was that nothing should be different...That would be my stance on Madison. If
I received a clear recommendation on it from the.chief legal officer, I'd alm

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                DUMPFILE - (C) Copyright 1992 by Andrew M. Fried

FILE - "A:WW2"

.WPCm...............2...........B.........P....Z..................Courier 10c
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dYC..xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx.....?.x.x.x.,......w..x...6.X
......@...8..;.X.@..........................................2.~.C.C.,.....XhX
.~............p...?7...X................................................tB.F.
.E..3.]..^..7Vj...._..^..G..]..^..7...t.Vj...._..^..G.....t.Ht...^_MM.........
..EU.....V.v.V.....‾MM...]M....."EU........G..v̄..v..v..v..v..v..v.j̄.j.....MM..
....2..........k...........................................S.....-.......#..X
.~............p...?7....XhX..#.........x....‘.‘.....................h.h....
......@........h....p.p................ ....Insert 11A........x..I have had t
hree brief discussions with Secretary Bentsen on matters relating........S...
..-............x..to Madison.....................h.h..........@........h...p.p
..................x.x...... . 0...........S.....-......X.....x.......
.X.‘.‘....I alerted him that there was a possibility of criminal referrals bei
ng.made in late September..(#‘............S.H...-.......X.....x........X.‘.‘..
..In early February I described to him the process that the RTC  was.undertaki
ng in connection with its review of Madison in light of the.then impending Feb
ruary 28 deadline, and that I had received.Congressional inquiries on whether
I would recuse myself from the.matter.  .(#‘.....X.....x....X.‘.‘....I told h
im that I was reserving judgment on the recusal..(#‘...........S....-.......
X.....x........X.‘.‘....Somewhat later I told him that I was not inclined towa
rd a recusal..(#‘..........S.y...-...................S.K...-.................
..Why did you have those conversations... ?.........x....‘.‘....To give him a
"heads up" so that he would not be caught by surprise.......x....‘.‘....if he
were to receive inquiries on these matters as Chairman of the.......x....‘.‘..
..Oversight Board...."..............0*0*0*.........."...........S.....-....
...............MADISON/WHITEWATER: CONVERSATIONS...........S.....-.....Q:......x
.....What conversations have you had with Deputy Secretary Altman on the .....
..x..Madison Guaranty situation?...........S._...-.....A:......x..Mr. Altman a
nd I have had three brief conversations relating to Madison.......x..Guaranty
..........S.....-..........x....‘.‘..................In late September, I b
elieve, he told me that there was a.possibility that criminal referrals might
be made by the RTC that.could receive press attention..(#............S.....-.
..........x....‘.‘..................Early this month he described to me general
ly the process the.......x....‘.‘.............RTC  was undertaking in its revi
ew of Madison Guaranty in light.........S.....-...........x....‘.‘...........
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.of the impending February 28th date.  He also told me that he..(#(#X.........
x....'.'.............had received congressional inquiries suggesting that he r
ecuse .......x....'.'.............himself from the decision.  He said that he
was reserving.......x....'.'.............judgment on the recusal...........S..
...-..........x....'.'.................Sometime after that, he told me that h
e had decided that he.......x....'.'.............would not recuse himself.....
......S....-.....Q:......x..Why did you have these conversations:..........S.
....-.....A:......x..So that I would not be taken by surprise if I were to rec
eive inquiries about.........S....-...........x..them.....'.'.....(#'........
..:.S.e...-.....Q:......x..What have you said to him about these matters?.......
d being informed.  I do not like being caught by.......x..surprise and these w
ere matters that I could have been asked about as.......x..Chairman of ....W.u
..................the Oversight Board...."...............0*0*0*.........."...
.

Program finished...
...........x.P.x...k.x............................................s............
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.........f.....................................................................
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.x...................................x...............x.........................
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........................................P.............P.............P..........
...P...........................................................................
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.......k...x...k.......x...x...x...k...k........................].x.........k..
.............P.P.x.x.x...x.....................................................
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.......x.x.x...................................................................
..............................P.........x.k.P.)...x.x.x.x.x.x.x.x.x.x.x.x.x.x.x
.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x............c.....<........
...Talking points for Roger Altman:  informational meeting with Mack.........e
.....<.....McLarty 2/2/94... ............x..o  RTC has been requested by eight
 Republican Senators and.Congressmen, including Dole and Michel, to seek tolli
ng.agreements from President and Mrs. Clinton, the McDougals, David.Hale, Jim
Guy Tucker, Seth Ward and the Rose law firm, relating.to Madison Guaranty.....
....x..o  Under the RTC Completion Act, the statute of limitations.has been ex
tended to five years.  The extension is retroactive.........?.....<.....for cl
aims involving ...fraud... or ...intentional... ...misconduct... resulting in.
unjust enrichment or substantial loss to the institution.........x..o  The ret
roactive five.year extension relating to Madison.Guaranty will expire on Febru
ary 28, 1994.........x..o  The only claims that could still exist as a result
of the.five year retroactive extension are those relating to fraud or.intentio
nal misconduct.  All other claims, including any based on.negligence or gross
negligence, have lapsed.........x..o  If any claim relating to fraud or intent
ional misconduct.does exist, the RTC has three choices:  (1) allow the claim t
o.lapse on 2/28/94; (2) commence litigation to preserve it; or (3).enter into
a tolling agreement with the relevant party to extend.the statute of limitatio
ns, giving the RTC additional time to.investigate and determine whether to com
mence litigation.........x..o  The RTC can enter into a tolling agreement only
 if the.other party agrees.........x..o  There must be a basis to bring a laws
uit; frivolous.claims will be dismissed and can subject the attorneys bringing
.the suit to sanctions by the court.........x..o  The RTC is ....D."m....curre
nt........D."m......currently....D."m..........D."m....y....  reviewing the Mad
ison Guaranty.situation to determine if any claims exist under the Completion.
Act.  (See 2/1/94 letter to Dole.)........x..o  If it is decided that any clai
m does exist, the RTC will.have to determine which of the three alternatives t
o choose.........x..o  The work is being supervised by Ellen Kulka, the new.Ge
neral Counsel, and by Jack Ryan, the new interim Deputy C.E.O.........x..o  It
 is not certain when the analysis will be completed,.but it will be before Feb
ruary 28.........x..o  I have decided that I will recuse myself from the.decis
ion making process, as interim C.E.O. of the RTC, because of.my relationship w
ith the President and Mrs. Clinton.

Program finished...
```

FILENAME: A:\XTRACT\157384.DAT MON 3/21/1994, 12:40

DISK 115234

Sector 157384:

I was not at all involved in any of the meetings between .Treasury and White House staff on Whitewater.

Redacted

FILENAME: A:\XTRACT\157498.DAT MON 3/21/1994, 12:40

DISK 115234

Sector 157498:

Redacted

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I was not at all involved in any of the meetings between .Treasury and White House staff

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FILENAME: A:\XTRACT\157499.DAT     MON 3/21/1994, 12:40

DISK 115234


Sector 157499:
on Whitewater...Question 8:..All taxes with regard to household help have been p
aid.&,......r...............%,...,...(...}.r....................................
....... ......(.....0 ....8/....@<....HO....PV:...Xb....'o....h...........x.....
p.................................................6.....L.....j..........8......
.................0.$....80....@@....HZ....P...........X.....'.....h.....p.....x.
................................................%....'1.....:.....D.....U.....e.
....k......................(....
```

FILENAME: A:\XTRACT\157558.DAT MON 3/21/1994, 12:40

DISK 115234

Sector 157558:

I was not at all involved in any of the meetings between Treasury and White House staff on Whitewater.

Redacted

ILENAME: A:\XTRACT\51723.DAT MON 3/21/1994, 12:40

ISK 115234

ector 51723:

[I was not at all involved in any of the meetings between .Treasury and White House staff on Whitewater]

....

..............................Redacted..........................

....

FILENAME: A:\XTRACT\80427.DAT   MON 3/21/1994, 12:24

DISK 115122

Sector 80427:

I was not at all involved in any of the meetingsbetween Treasury.and White House staff on Whitewater

Redacted

FILENAME: A:\XTRACT\80459.DAT MON 3/21/1994, 12:24

DISK 115122

Sector 80459:

I
was not at all involved in any of the meetings between .Treasury and White House staff on Whitewater]

Redacted

FILENAME: A:\XTRACT\80507.DAT MON 3/21/1994, 12:24

DISK 115122

Sector 80507:

[I was not at all involved in any of the meetings between .Treasury and White House staff on Whitewater]

Redacted

FILENAME: A:\XTRACT\80507.DAT MON 3/21/1994, 12:24

DISK 115122

Sector 80507:

[I was not at all involved in any of the meetings between .Treasury and White House staff on Whit
ewater]

Redacted

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FILENAME: A:\XTRACT\175845.DAT      MON 3/21/1994, 12:31

DISK 115124

Sector 175845:
d White House staff on Whitewater     Redacted
                        ..............o...........h...f...............2.E.^.<.
#..............................................................n..............
....<................................................)........................
P....f..............#.......................@....'.....fQ...................H.
..........=....f..m....V....N.+..F..F.....uJ.v.Q.v..v..v.......F..V...u....N..^
...&.w.&.7.v..x.om.....t.....F..
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FILENAME: A:\XTRACT\178462.DAT MON 3/21/1994, 12:31

DISK 115124

Sector 178462:

Redacted I was not at all involved in any of the meetings between .Treasury and White House staff on Whitewater

.............X.

....?...?...?...?...?...?...?...?...?.........................

....

....

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FILENAME: A:\XTRACT\28686.DAT     MON 3/21/1994, 12:31

DISK 115124


Sector 28686:
stant Secretary of Public Affairs for any document or.communication which may be
 responsive to the Independent.Counsel's subpoena to the Department of the Treas
ury, dated .March 4, 1994...My staff and I have identified approximately 400 pag
es of.document....j.8i......s....j.8i...... and/or communications which may be r
esponsive to that.subpoena, and I have caused them to be forward to your office
as.instructed...Furthermore, neither my staff nor I have destroyed or otherwise.
disposed of any document or comm
```

FILENAME: A:\XTRACT\29036.DAT MON 3/21/1994, 12:31

DISK 115124

Sector 29036:

.[I was not at all involved in any of the meetings between .Treasury and White House staff on Whitewater].

Redacted

FILENAME: A:\XTRACT\29116.DAT MON 3/21/1994, 12:31

DISK 115124

S[illegible] 29116:

[redacted] .I was not at all involved in any of the meetings between Treasury and White House staff on Whitewater

Redacted!

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FILENAME: A:\XTRACT\30348.DAT     MON 3/21/1994, 12:32

DISK 115124

Sector 30348:
                        Redacted                    .I was not at all inv
olved in any of the meetings between .Treasury and White House staff on Whitewat
er.  In today's.........?..$..<........Washington Post... it was reported that I
 referred Steve Katsanos to.Lisa Caputo at the White House.  I do not recall thi
s.conversation but if we do not have answers to press inquiries....i.28......, i
t.is common procedure to go to t]
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FILENAME: A:\XTRACT\30380.DAT   MON 3/21/1994, 12:32

DISK 115124

Sector 30380:

Redacted

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                                                     .;I was not at all involved i
n any of the meetings between .Treasury and White House staff on Whitewater.  In
 today's.........?..%..<........Washington Post... it was reported that I referr
ed Steve Katsanos to.Lisa Caputo at the White House.  I do not recall this.conve
rsation but if we do not have an
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                    DUMPFILE - (C) Copyright 1992 by Andrew M. Fried

FILE - "SUBCERT.MEM"

.WPC0..............2.........B........P....Z................Courier 10c
pi..#|.x................^..x...6.X......@...8..;.X.@.....................
..........HP LaserJet III (Additional)........HPLAIIAD.PRS...x...........@.
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......#|.x...........HP LaserJet III (Additional)........HPLAIIAD.PRS...x....
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.........^4@@.d..0LLd.0@0dddddddddddd88...d......|..HX.....x..1.......@d@dd0dlX
ld@'184h8.1111LL@l\.XXXddd..d.dd..ddd...0.dddddd.ddl8..d.d.d.d.d...X.d.d.d.dH8
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...<).xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx.....?.x.x.x.,......^..x...6.
X......@...8..;.X.@.....................................7.t.C.4.,.......
X.t...\....... P..z.C...X.P.......................................2.....
.....B.....V...P.....Z................Courier 10cpi.......?.x.x.x.,.......L..
.n...V................$.R.S.T.U.V.W.X.Y.Z.[.\.].^._.'.a.b.c.d.e.f...........
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.........X.'..............................................................
..........................................T..............March 10, 1994.....
.........?.@...<...........X.'...............................................
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.........................................................................M
EMORANDUM FOR.........EDWARD S. KNIGHT...'.'............EXECUTIVE SECRETARY A
ND SENIOR ADVISOR...'.'.............  TO THE SECRETARY..........?.'...<.....FR
OM:..'.'....Joan Logue.Kinder...'.'....Assistant Secretary.designate...'.'....
  for Public Affairs.........?.....<.....SUBJECT:..'.'....Independent Counsel
's Subpoena to Treasury...Pursuant to your memorandum of March 4, 1994, entitl
ed."Preservation and Production of Documents and/or Communications,".I have ca
used a search to be made of all records of the Office of.the Assistant Secreta
ry of Public Affairs for any document or.communication which may be responsive
 to the Independent.Counsel's subpoena to the Department of the Treasury, date
d .March 4, 1994...My staff and I have identified approximately 400 pages of.d
ocument....j.8i......s....j.8i......  and/or communications which may be respon
sive to that.subpoena, and I have caused them to be forward to your office as.
instructed...Furthermore, neither my staff nor I have destroyed or otherwise.d
isposed of any document or communication which may be responsive.to that subpo
ena since receiving your March 4, 1994, memorandum...My staff and I understand
 that we have a continuing obligation to.preserve any document or communicatio
n found or created after the.date of this certification which may be responsiv
e to that.subpoena, and we understand that we have a continuing duty to.inform
 you if any such document or communication is found or.created............?.(
#..<.......                                   ...              ...          ...
.Joan Logue.Kinder                                    (Date).Assistant Secretary.des
ignate.  for Public Affairs..

Program finished...
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FILENAME: A:\XTRACT\23687.DAT     MON 3/21/1994, 10:22

Sector 23687:
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ch.......2.x.x.x.........(X.x............@........X.@...........................
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............9..'X.@..............2...........?.........O........................
#|.x.............Senator Bond:  How was the White House notified of the referral
?..Mr. Altman:  They weren't notified by the RTC to the best of my  .knowledge..
.Senator Bond:  Nobody in your a
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Sector 23687:
.WPCQ...............2...........B.....V...S.....Z.................Courier 10 Pit
ch.......2.x.x.x.........(X.x............@........X.@...........................
.........Standard Printer.....................STANDARD.PRS...x............@.....
............9..'X.@..............2...........?.........O........................
#|.x.............Senator Bond:  How was the White House notified of the referral
?..Mr. Altman:  They weren't notified by the RTC to the best of my  .knowledge..
.Senator Bond:  Nobody in your a
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FILENAME: A:\XTRACT\23688.DAT     MON 3/21/1994, 10:22

Sector 23688:
gency  to your knowledge advised.the White House staff that this was going to be
 a major..this.could be a major source of concern?..Mr, Altman:  Not to my knowl
edge....Q:  Did you have any conversations with White House staff on the.referra
l?..A:  On September 29, I had a brief conversation with Mr. Nussbaum.following
 a meeting on another matter.  I told him that I.understood that there might be p
ress inquiries concerning a.possible criminal referral out of the RTC relating t
o Madison.Guaranty [and that I u
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Sector 23688:
gency  to your knowledge advised.the White House staff that this was going to be
 a major..this.could be a major source of concern?..Mr, Altman:  Not to my knowl
edge....Q:  Did you have any conversations with White House staff on the.referra
l?..A:  On September 29, I had a brief conversation with Mr. Nussbaum.following
 a meeting on another matter.  I told him that I.understood that there might be p
ress inquiries concerning a.possible criminal.referral out of the RTC relating t
o Madison.Guaranty [and that I u
FILENAME: A:\XTRACT\23689.DAT   .  MON 3/21/1994, 10:22

Sector 23689:
nderstood that the President and the First.Lady were mentioned as possible witne
sses]...Q:  Why did you have that conversation?..A:  I told him on a confidentia
l basis and as a courtesy, lawyer.to lawyer.  I believed that, if there were a p
ress inquiry, the.press office would come to him and he would want to be as.prep
ared as he could be to respond.  This was not a completely.new issue.  I recalle
d that there was a New York Times article.relating to Madison Guaranty that had
appeared during the.campaign and
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Sector 23689:
nderstood that the President and the First.Lady were mentioned as possible witne
sses]...Q:  Why did you have that conversation?..A:  I told him on a confidentia
l basis and as a courtesy, lawyer.to lawyer.  I believed that, if there were a p
ress inquiry, the.press office would come to him and he would want to be as.prep
ared as he could be to respond.  This was not a completely.new issue.  I recalle
d that there was a New York Times article.relating to Madison Guaranty that had
appeared during the.campaign and
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FILENAME: A:\XTRACT\23690.DAT   MON 3/21/1994, 10:22

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Sector 23690:
 I assumed that he would want to refamiliarize.himself with the background of Ma
dison Guaranty before he was hit.out of the blue with a question on it.  It was
what I would.expect another lawyer would do for me if I were going to be.placed
in the situation of responding to a press inquiry that.required some background
work...Q:  Was anyone else present?..A:  I believe that Cliff Sloan, another Whi
te House attorney, was.there.  This was a lawyer.to.lawyer conversation...Q:  Wh
at else did you tell him?..A:  I
```

```
Sector 23690:
 I assumed that he would want to refamiliarize.himself with the background of Ma
dison Guaranty before he was hit.out of the blue with a question on it.  It was
what I would.expect another lawyer would do for me if I were going to be.placed
in the situation of responding to a press inquiry that.required some background
work...Q:  Was anyone else present?..A:  I believe that Cliff Sloan, another Whi
te House attorney, was.there.  This was a lawyer.to.lawyer conversation...Q:  Wh
at else did you tell him?..A:  I
```

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FILENAME: A:\XTRACT\23691.DAT     MON 3/21/1994, 10:22

Sector 23691:
Idon't recall that I told him anything else.  ..Q:  Wasn't it unusual to tell th
e White House about criminal.referrals?..A:  It is not unusual to apprise anothe
r counsel on a.confidential basis of an issue that may come before them on a.pre
ss inquiry.  The issue related to a possible press inquiry.  ..Q:  Isn't it agai
nst the law, or at least policy, to]
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Redacted

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FILENAME: A:\XTRACT\23847.DAT     MON 3/21/1994, 10:23

Sector 23847:
.WPCQ...............2...........B.....V...S.....Z.................Courier 10 Pit
ch.......2.x.x.x.........(X.x............@........X.@...........................
.........Standard Printer.....................STANDARD.PRS...x............@.....
............9..'X.@..............2...........?.........O........................
#|.x.............Senator Bond:  How was the White House notified of the referral
?..Mr. Altman:  They weren't notified by the RTC to the best of my  .knowledge..
.Senator Bond:  Nobody in your a
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FILENAME: A:\XTRACT\23912.DAT     MON 3/21/1994, 10:24

Sector 23912:
gency  to your knowledge advised.the White House staff that this was going to be
 a major..this.could be a major source of concern?..Mr, Altman:  Not to my knowl
edge....Q:  Did you have any conversations with White House staff on the.referra
l?..A:  On September 29, I had a brief conversation with Mr. Nussbaum.following
a meeting on another matter.  I told him that I.understood that there might be p
ress inquiries concerning a.possible criminal referral out of the RTC relating t
o Madison.Guaranty [and that I u
```

FILENAME: A:\XTRACT\23849.DAT MON 3/21/1994, 10:24

Sector 23849:

nderstood that the President and the First.Lady were mentioned as possible witnesses]...Q: Why did you have that conversation?..A: I told him on a confidential basis and as a courtesy, lawyer.to lawyer. I believed that, if there were a press inquiry, the.press office would come to him and he would want to be as.prepared as he could be to respond. This was not a completely.new issue. I recalled that there was a New York Times article.relating to Madison Guaranty that had appeared during the.campaign and

```
FILENAME: A:\XTRACT\23850.DAT     MON 3/21/1994, 10:24

Sector 23850:
 I assumed that he would want to refamiliarize.himself with the background of Ma
dison Guaranty before he was hit.out of the blue with a question on it.  It was
what I would.expect another lawyer would do for me if I were going to be.placed
in the situation of responding to a press inquiry that.required some background
work...Q:  Was anyone else present?..A:  I believe that Cliff Sloan, another Whi
te House attorney, was.there.  This was a lawyer.to.lawyer conversation...Q:  Wh
at else did you tell him?..A:  I
```

```
FILENAME: A:\XTRACT\23767.DAT     MON 3/21/1994, 10:23

Sector 23767:
 don't recall that I told him anything else.  ..Q:  Wasn't it unusual to tell th
e White House about criminal.referrals?..A:  It is not unusual to apprise anothe
r counsel on a.confidential basis of an issue that may come before them on a.pre
ss inquiry.  The issue related to a possible press inquiry.  ..Q:  Isn't it agai
nst the law, or at least policy, to "tip"......h)..........0*0*0*.........someon
e on a criminal referral?...A:  No.  This was not a public disclosure of possibl
e criminal.referral.  It was a c
```

```
FILENAME: A:\XTRACT\23736.DAT     MON 3/21/1994, 10:22

Sector 23736:
onfidential conversation, lawyer to lawyer,.intended to simply apprise a lalwyer
 of an issue that he might.have to deal with.  It was not a violation of law or
policy...Q:  Are you saying that lawyers can have conversations that other.peopl
e cannot?  That lawyers can talk about things that other.people are not permitte
d to talk about?..A:  Again, this was a confidential conversation intended only
to.put Mr. Nussbaum on notice that there was as issue that he might.be called up
on to address in terms of a pres
```

```
FILENAME: A:\XTRACT\23917.DAT     MON 3/21/1994, 10:25

Sector 23917:
s inquiry so that he.could do the background work to prepare for it...Q:  But di
dn't you expect him to tell others?  In fact, didn't.you expect that he would te
ll others in the White House?..A:  I didn't expect him to do that.  I expected t
hat he would use.the information to prepare himself for an inquiry.  ..TQ:  Who
in Treasury or the RTC knew that you had this.conversation?..A:  I don't recall
that I told anyone of the conversation...Q:  Did you tell Mr. Altman?..A:  No...
q:  Did anyone ask you to have t
```

FILENAME: A:\XTRACT\23854.DAT MON 3/21/1994, **10:24**

Sector 23854:
his conversation?..A: No. ..Q: Did you have any further **conversations with an yone from the.White House** on this matter?..A: I attended **a meeting with several people on October 14** to.discuss a press inquiry and procedures **to handle press inquiries.on** Madison Guaranty. I had little to add because **I knew nothing.more about the issue and** I **was** not involved in the handling of**.press inquiries...Q: Then why did you attend?** ..A: The conversation related **to procedure and process ing of press.inquiries. Mr.** Nus

```
FILENAME: A:\XTRACT\23919.DAT     MON 3/21/1994, 10:25

Sector 23919:
sbaum attended,  It is routine for senior.lawyers to talk about procedural matte
rs, even in criminal.matters,  and even those that afffect a President...Q:  Did
 you have any other conversations with Mr. Nussbaum or his.staff, or anyone else
 from the White House on this matter?......h)..........0*0*0*..........A:  Nothi
ng of substance that I can recall other than the meeting.on February 2 with Mr.
Altman that has previously been addressed...Q:  You had no conversations with th
e White House on this matter?..A
```

FILENAME: A:\XTRACT\23920.DAT MON 3/21/1994, 10:26

Sector 23920:
: [Shortly after my initial conversation with Mr. Nussbaum, the.Madison Guaranty issue became public.]

Redacted

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FILE - "MGMEMO"

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.@..................9..'X.@.............2.........?........O..............
.........#|.x.............Senator Bond:  How was the White House notified of t
he referral?..Mr. Altman:  They weren't notified by the RTC to the best of my
 .knowledge...Senator Bond:  Nobody in your agency  to your knowledge advised.
the White House staff that this was going to be a major..this.could be a major
 source of concern?..Mr, Altman:  Not to my knowledge....Q:  Did you have any
conversations with White House staff on the.referral?..A:  On September 29, I
had a brief conversation with Mr. Nussbaum.following a meeting on another matt
er.  I told him that I.understood that there might be press inquiries concerni
ng a.possible criminal referral out of the RTC relating to Madison.Guaranty [a
nd that I understood that the President and the First.Lady were mentioned as p
ossible witnesses]...Q:  Why did you have that conversation?..A:  I told him o
n a confidential basis and as a courtesy, lawyer.to lawyer.  I believed that,
if there were a press inquiry, the.press office would come to him and he would
 want to be as.prepared as he could be to respond.  This was not a completely.
new issue.  I recalled that there was a New York Times article.relating to Mad
ison Guaranty that had appeared during the.campaign and I assumed that he woul
d want to refamiliarize.himself with the background of Madison Guaranty before
 he was hit.out of the blue with a question on it.  It was what I would.expect
 another lawyer would do for me if I were going to be.placed in the situation
of responding to a press inquiry that.required some background work...Q:  Was
anyone else present?..A:  I believe that Cliff Sloan, another White House atto
rney, was.there.  This was a lawyer.to.lawyer conversation...Q:  What else did
 you tell him?..A:  I don't recall that I told him anything else.  ..Q:  Wasn'
t it unusual to tell the White House about criminal.referrals?..A:  It is not
unusual to apprise another counsel on a.confidential basis of an issue that ma
y come before them on a.press inquiry.  The issue related to a possible press
inquiry.  ..Q:  Isn't it against the law, or at least policy, to "tip"......h)
..........0*0*0*.........someone on a criminal referral?...A:  No.  This was n
ot a public disclosure of possible criminal.referral.  It was a confidential c
onversation, lawyer to lawyer,.intended to simply apprise a lalwyer of an issu
e that he might.have to deal with.  It was not a violation of law or policy...
Q:  Are you saying that lawyers can have conversations that other.people canno
t?  That lawyers can talk about things that other.people are not permitted to
talk about?..A:  Again, this was a confidential conversation intended only to.
put Mr. Nussbaum on notice that there was as issue that he might.be called upo
n to address in terms of a press inquiry so that he.could do the background wo
rk to prepare for it...Q:  But didn't you expect him to tell others?  In fact,
 didn't.you expect that he would tell others in the White House?..A:  I didn't
 expect him to do that.  I expected that he would use.the information to prepa
re himself for an inquiry.  ..TQ:  Who in Treasury or the RTC knew that you ha
d this.conversation?..A:  I don't recall that I told anyone of the conversatio
n...Q:  Did you tell Mr. Altman?..A:  No...q:  Did anyone ask you to have this
 conversation?..A:  No.  ..Q:  Did you have any further conversations with any
one from the.White House on this matter?..A:  I attended a meeting with severa
l people on October 14 to.discuss a press inquiry and procedures to handle pre
ss inquiries.on Madison Guaranty.  I had little to add because I knew nothing.
more about the issue and I was not involved in the handling of.press inquiries
...Q:  Then why did you attend? ..A:  The conversation related to procedure an
d processing of press.inquiries.  Mr. Nussbaum attended,  It is routine for se
nior.lawyers to talk about procedural matters, even in criminal.matters,  and
even those that afffect a President...Q:  Did you have any other conversations
 with Mr. Nussbaum or his.staff, or anyone else from the White House on this m
```

atter?......h)..........0*0*0*..........A: Nothing ot substance that I can recall other than the meeting.on February 2 with Mr. Altman that has previously been addressed...Q: You had no conversations with the White House on this matter?..A: Shortly after my initial conversation with Mr. Nussbaum, the.Madison Guaranty issue became public. ....id anyone ask you to have this conversation?]

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Sector 23687:

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itch.......2.x.x.x..........(X.x............@........X.@........................
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@.................9..'X.@...............2...........?.........O.................
........#|.x.............Senator Bond:  How was the White House notified of th
e referral?..Mr. Altman:  They weren’t notified by the RTC to the best of my
.knowledge...Senator Bond:  Nobody in your a
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Sector 23687:

.WPCQ...............2............B.....V...S.....Z..................Courier 10 P
itch.......2.x.x.x..........(X.x............@........X.@........................
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........#|.x.............Senator Bond:  How was the White House notified of th
e referral?..Mr. Altman:  They weren’t notified by the RTC to the best of my
.knowledge...Senator Bond:  Nobody in your a
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Sector 23688:

gency  to your knowledge advised.the White House staff that this was going to
be a major..this.could be a major source of concern?..Mr, Altman:  Not to my k
nowledge....Q:  Did you have any conversations with White House staff on the.r
eferral?..A:  On September 29, I had a brief conversation with Mr. Nussbaum.fo
llowing a meeting on another matter.  I told him that I.understood that there
might be press inquiries concerning a.possible criminal referral out of the RT
C relating to Madison.Guaranty [and that I u
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Sector 23688:

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be a major..this.could be a major source of concern?..Mr, Altman:  Not to my k
nowledge....Q:  Did you have any conversations with White House staff on the.r
eferral?..A:  On September 29, I had a brief conversation with Mr. Nussbaum.fo
llowing a meeting on another matter.  I told him that I.understood that there
might be press inquiries concerning a.possible criminal referral out of the RT
C relating to Madison.Guaranty [and that I u
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Sector 23689:

nderstood that the President and the First.Lady were mentioned as possible wit
nesses]...Q:  Why did you have that conversation?..A:  I told him on a confide
ntial basis and as a courtesy, lawyer.to lawyer.  I believed that, if there we
re a press inquiry, the.press office would come to him and he would want to be
 as.prepared as he could be to respond.  This was not a completely.new issue.
 I recalled that there was a New York Times article.relating to Madison Guaran
ty that had appeared during the.campaign and
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FILE - "A:JGT"

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........................K.....DRAFT CHRONOLOGY..........?. ...<...........X
.....x..In late September, I believe, he told me that there was.a possibility
that criminal referrals might be made by.the RTC that could receive press atte
ntion..f!.............?....<...........X....x..In October I was told of pre
ss inquiries..f!............?....<...........X....x..Early this month he de
scribed to me generally the.process the RTC was undertaking in its .......0..
.revei....·.......0....review.......0............0...w.... of Madison.Guara
nty in light of the Impending February 28th date. .he also told me that he had
 received congressional.inquiries suggesting that he recuse himself from the.d
ecision.  he said that he was reserving judgement on.the recusal..f!.........
...?....<...........X....x..Sometime after that, he told me that he had deci
ded .......1...tah...........1....that.......1............1...t.....he wo
uld not recuse himself..f!............?.0...<...........X....x..In January o
r February, I was advised by Christine.Varney that I would not be invited to a
 discussion of.Whitewater matters because of my Chairmanship of the RTC.Oversi
ght Board..f!....

Program finished...
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                    DUMPFILE - (C) Copyright 1992 by Andrew M. Fried

FILE - "A:JGT"

.WPCR..............2..........B....V..T....Z.................Courier New
  (TT).......?.x.x.x.,.......^X.x...6.X.....@..D.Q...X.@...................
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#.%.'0*.,..81.3.5@8.:.<H?.A........................................X......
.'....h....p... .x.. (#.%.'0*.,..81.3.5@8.:.<H?.A.........................
........................K.....DRAFT CHRONOLOGY..........?. ...<...........X
.....x..In late September, I believe, he told me that there was.a possibility
that criminal referrals might be made by.the RTC that could receive press atte
ntion..f!.............?....<...........X....x..In October I was told of pre
ss inquiries..f!............?....<...........X....x..Early this month he de
scribed to me generally the.process the RTC was undertaking in its .......0..
.revei....·.......0....review.......0............0...w.... of Madison.Guara
nty in light of the Impending February 28th date. .he also told me that he had
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ecision.  he said that he was reserving judgement on.the recusal..f!.........
...?....<...........X....x..Sometime after that, he told me that he had deci
ded .......1...tah...........1....that.......1............1...t.....he wo
uld not recuse himself..f!............?.0...<...........X....x..In January o
r February, I was advised by Christine.Varney that I would not be invited to a
 discussion of.Whitewater matters because of my Chairmanship of the RTC.Oversi
ght Board..f!....

Program finished...
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FILENAME: A:\XTRACT\103726.DAT     MON 3/21/1994, 10:36

DISK 114398


Sector 103726:
.<H?.A....................................................K......DRAFT CHRONOLOG
Y...........?. ...<...........X.....x..In late September, I believe, he told me
that there was.a possibility that criminal referrals might be made by.the RTC th
at could receive press attention..f!...............?.....<...........X.....x..In
October I was told of press inquiries..f!.............?.....<...........X.....x.
.Early this month he described to me generally the.process the RTC was undertaki
ng in its ........0...revei.....
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FILENAME: A:\XTRACT\103727.DAT     MON 3/21/1994, 10:36

DISK 114398


Sector 103727:
.......0....review........0.............0...w.... of Madison.Guaranty in light
of the Impending February 28th date. .he also told me that he had.received congr
essional.inquiries suggesting that he recuse himself from the.decision.  he said
 that he was reserving judgement on.the recusal..f!.............?.....<.........
..X.....x..Sometime after that, he told me that he had decided ........1...tah..
..........1.....that........1.............1...t.....he would not recuse himself.
.f!.............?.0...<.........
```

```
FILENAME: A:\XTRACT\103728.DAT     MON 3/21/1994, 10:36

DISK 114398


Sector 103728:
..X.....x..In January or February, I was advised by Christine.Varney that I woul
d not be invited to a discussion of.Whitewater matters because of my Chairmanshi
p of the RTC.Oversight Board..f!....l)........HPLASIII.WRS...x.............@....
....,...,.,.4...{X.@..............2...........@.........P.......................
.#|.x.......................r...........X.....`.....h.....p... .x.. (#.%.'0*.,..
81.3.5@8.:.<H?.A............................................X.......`.....h.....
p... .x.. (#.%.'0*.,..81.3.5@8.:
```

```
FILENAME: A:\XTRACT\113544.DAT     MON 3/21/1994, 10:36

DISK 114398


Sector 113544:
..........r...........X.....'.....h.....p... .x.. (#.%.'0*.,..81.3.5@8.:.<H?.A..
..........................................X.......'.....h.....p... .x.. (#.%.'0*
.,..81.3.5@8.:.<H?.A.....................................................K.....D
RAFT CHRONOLOGY...........?. ...<...........X.....x..In late September, I believ
e, he told me that there was.a possibility that criminal referrals might be made
 by.the RTC that could receive press attention..f!..............?.....<.........
..X.....x..In October I was told
```

```
FILENAME: A:\XTRACT\113545.DAT     MON 3/21/1994, 10:36

DISK 114398


Sector 113545:
 of press inquiries..f!.............?.....<...........X.....x..Early this month
he described to me generally the.process the RTĊ was undertaking in its ........
0...revei............0....review.........0.............0...w.... of Madison.Guar
anty in light of the Impending February 28th date. .he also told me that he had
received congressional.inquiries suggesting that he recuse himself from the.deci
sion.  he said that he was reserving judgement on.the recusal..f!.............?.
....<...........X.....x..Sometim
```

```
FILENAME: A:\XTRACT\113546.DAT     MON 3/21/1994, 10:36

DISK 114398


Sector 113546:
e after that, he told me that he had decided ........1...tah............1.....th
at........1.............1...t.....he would not recuse himself..f!.............?.
0...<...........X.....x..In January or February, I was advised by Christine.Varn
ey that I would not be invited to a discussion of.Whitewater matters because of
my Chairmanship of the RTC.Oversight Board..f!..................2...........B...
..V...T.....Z.................Courier New  (TT).......?.x.x.x.,.......^X.x...6.X
......@..D.Q...X.@..............
```

```
FILENAME: A:\XTRACT\92874.DAT     MON 3/21/1994, 10:36

DISK 114398


Sector 92874:
.<H?.A....................................................K......DRAFT CHRONOLOG
Y...........?. ...<...........X.....x..In late September, I believe, he told me
that there was.a possibility that criminal referrals might be made by.the RTC th
at could receive press attention..f!..............?.....<...........X.....x..In
October I was told of press inquiries..f!.............?.....<...........X.....x.
.Early this month he described to me generally the.process the RTC was undertaki
ng in its ........0...revei.....
```

```
FILENAME: A:\XTRACT\92875.DAT     MON 3/21/1994, 10:36

DISK 114398

Sector 92875:
.......0.....review........0.............0...w.... of Madison.Guaranty in light
of the Impending February 28th date. .he also told me that he had received congr
essional.inquiries suggesting that he recuse himself from the.decision.  he said
 that he was reserving judgement on.the recusal..f!.............?.....<.........
..X.....x..Sometime after that, he told me that he had decided ........1...tah..
..........1.....that........1.............1...t.....he would not recuse himself.
.f!.............?.0...<.........
```

```
FILENAME: A:\XTRACT\92876.DAT     MON 3/21/1994, 10:36

DISK 114398


Sector 92876:
..X.....x..In January or February, I was advised by Christine.Varney that I woul
d not be invited to a discussion of.Whitewater matters. because of my Chairmanshi
p of the RTC.Oversight Board..f!...............HPLASIII.WRS...x.............@....
....,...,.,.4...{X.@..............2...........@.........P.......................
.#|.x......................r...........X....`.....h....p... .x.. (#.%.'0*.,..
81.3.5@8.:.<H?.A..........................................X......`.....h.....
p... .x.. (#.%.'0*.,..81.3.5@8.:
```

```
FILENAME: A:\XTRACT\12953.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 12953:
any such meetings ....d..>9.....or.conversations;.."‘...........?.x...<.......X
.....x..3...X.‘.‘....exchanged between any member of the White ....d..>A.....Hou
se staff.or the staff of Hillary Rodham Clinton, and any.official or employee of
 ....d..>C.....the Department of the.Treasury or the Resolution Trust Corporatio
n at or in.connection with any such meetings or conversations;.."‘...........?.
(#..<.......X.....x..4...X.‘.‘........d..>E.....constituting notes taken at or r
eferring to any such.meetins or
FILENAME: A:\XTRACT\12954.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 12954:
conversations;.."'...........?..%..<.......X.....x..5...X.'.'........d..>G.....
summarizing, documenting or referring to all or any.part of any such meetings or
 conver....d..>I.....sations..."'.......d..>R..........."...h)..........0*0*0*...
..1....".........d..>S...........C...2.......d..>S......Any and all documents, c
ommunications and/or objects referring.or relating to any criminal referrals mad
e by the Resolution.Trust Corporation about or regarding Madison Guaranty Saving
s &.Loan, it subsidiaries or aff
```

```
FILENAME: A:\XTRACT\12955.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 12955:
iliates. ....d..>T.......These documents should be brought to my office in room
3408.Main Treasury no later than 3:00 p.m. on Wednesday, March 9....d..>V...8...
.,.1994....d..>T..... (Additional).........HPLAIIAD.PRS...x.............@........
,...\.,..a..MX.@..............2..........<.........L.....................#|.
x.................d..>..............r.............d..>..................F.........
d..>...................March 4, 1994.....MEMORANDUM FOR ....d..>......SECRETARY
BENTSEN...X.....x....X.'.'......
```

```
FILENAME: A:\XTRACT\12970.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 12970:
ns;.."`............?..%..<.......X.....x..5...X.`.`....summarizing, documenting
or referring to all or any.part of any such meetings or conversations..."`......
.."...h)..........0*0*0*.....1...."...........C...2....Any and all documents, co
mmunications and/or objects referring.or relating to any criminal referrals made
 by the Resolution.Trust Corporation about or regarding Madison Guaranty Savings
 &.Loan, it subsidiaries or affiliates. ..These documents should be brought to m
y office in room 3408.Main Treas
```

```
FILENAME: A:\XTRACT\12971.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 12971:
ury no later than 3:00 p.m. on Wednesday, March 9,.1994...If you have any questi
ons concerning the above please call me.at 622.0027.............................
......HP LaserJet III (Additional).........HPLAIIAD.PRS...x............@........
,...\.,..a..MX.@..............2...........<.........L........................#|.
x.......................F...................March 4, 1994....MEMORANDUM FOR SECR
ETARY BENTSEN...X.....x....X.'.'......X............d..>\...DEPUT........d..>\...
..DEPUTY....d..>\.........d..>\.
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FILENAME: A:\XTRACT\12976.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 12976:
nt of the Treasury or the Resolution Trust.Corporation, including but not limite
d to Roger Altman, Jack.DeVore, Jean Hanson or Joshua Steiner.  This includes, b
ut is.not limited to any documents, communications and/or objects:..........?...
..<.......X.....x..1...X.'.'....referring or relating to the arrangement, existe
nce,.substance or circumstances of any such meetings or.conversations;.."'......
......?.....<.......X.....x..2...X.'.'....discussed or referred to in any such m
eetings or.conversations;.."'...
```

```
FILENAME: A:\XTRACT\12977.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 12977:
..........?.. ..<.......X.....x..3...X.'.'....exchanged between any member of the
 White House staff.or the staff of Hillary Rodham Clinton, and any.official or e
mployee of the Department of the.Treasury or the Resolution Trust Corporation at
 or in.connection with any such meetings or conversations;.."'...........?..$..
<.......X.....x..4...X.'.'....constituting notes taken at or referring to any su
ch.meetings or conversations;.."'...........?..'..<.......X.....x..5...X.'.'...
.summarizing, documenting or ref
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FILENAME: A:\XTRACT\12978.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 12978:
erring to all or any.part of any such meetings or conversations..."'......"...h)
..........0*0*0*.....1...."......"...h)..........0*0*0*.....1...."......"...h)..
........0*0*0*.....1...."..........C...2...Any and all documents, communicatio
ns and/or objects referring.or relating to any criminal referrals made by the Re
solut.ion.Trust Corporation about or regarding Madison Guaranty Savings &.Loan, i
t subsidiaries or affiliates. ..These documents should be brought to my office i
n room 3408.Main Treasury no lat
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FILENAME: A:\XTRACT\12979.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 12979:
er than 3:00 p.m. on Wednesday, March 9,.1994...If you have any questions concer
ning the above please call me.at 622.0027.8..;.X.@..............................
......HP LaserJet III (Additional).........HPLAIIAD.PRS...x............@........
,...\.,..a..MX.@..............2...........<.........L........................#|.
x.......................F..................March 4, 1994.....MEMORANDUM FOR SECR
ETARY BENTSEN...X.....x....X.'.'......X........DEPUTY SECRETARY ALTMAN.."......X
.....x....X.'.'......X........UN
```

```
FILENAME: A:\XTRACT\13904.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 13904:
orporation, including but not limited to Roger Altman, Jack.DeVore, Jean Hanson
or Joshua Steiner.  This includes, but is.not limited to any documents and/or co
mmunications:..........?.....<.......X.....x..1...X.'.'....referring or relating
 to the arrangement, existence,.substance or circumstances of any such meetings
or.conversations;.."`............?.....<.......X.....x..2...X.'.'....discussed o
r referred to in any such meetings or.conversations;.."`............?.. ..<.....
..X.....x..3...X.'.'....exchange
```

```
FILENAME: A:\XTRACT\13905.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 13905:
d between any member of the White House staff.or the staff of Hillary Rodham Cli
nton, and any.official or employee of the Department of the.Treasury or the Reso
lution Trust Corporation at or in.connection with any such meetings or conversat
ions;.."'............?..$..<.......X.....x..4...X.'.'....constituting notes take
n at or referring to any such.meetings or conversations;.."'............?..'..<.
......X.....x..5...X.'.'....summarizing, documenting or referring to all or any.
part of any such meetings or con
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FILENAME: A:\XTRACT\13906.DAT     MON 3/21/1994, 10:40

DISK 115009                                         ,


Sector 13906:
versations..."`......"...h)..........0*0*0*.....1..."............Courier 10cpi.
......?.x.x.x.,.......^..x...6.X......@...8..;.X.@..............................
......HP LaserJet III (Additional).........HPLAIIAD.PRS...x............@........
,...\.,..a..MX.@..............2..........<.........L........................#|.
x.................................F..................March 4, 1994.....MEMORANDU
M FOR SECRETARY BENTSEN...X.....x....X.'.'......X........DEPUTY SECRETARY ALTMAN
.."......X.....x....X.'.'......X
```

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FILENAME: A:\XTRACT\13937.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 13937:
changed between any member of the White House staff.or the staff of Hillary Rodh
am Clinton, and any.official or employee of the Department of the.Treasury or th
e Resolution Trust Corporation at or in.connection with any such meetings or con
versations;.."`............?..$..<.......X.....x..4...X.`.`....constituting note
s taken at or referring to any such.meetings or conversations;.."`............?.
.'..<.......X.....x..5...X.`.`....summarizing, documenting or referring to all o
r any.part of any such meetings
```

```
FILENAME: A:\XTRACT\13938.DAT      MON 3/21/1994, 10:40

DISK 115009


Sector 13938:
or conversations..."'......"...h)..........0*0*0*.....1...."........d..>.......
...................C...2....Also, please immediately preserve and produce any an
d all.documents and/or communications referring or relating to any.criminal refe
rrals made by the Resolution Trust Corporation.about or regarding Madison Guaran
ty Savings & Loan, its.subsidiaries or affiliates. ..These documents must be bro
ught to my office in Room 3408 Main.Treasury no later than 3:00 p.m. on Wednesda
y, March 9, 1994...If you have a
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FILENAME: A:\XTRACT\13939.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 13939:
ny questions concerning the above please call me.at 622.0027......Courier 10cpi.
......?.x.x.x.,.......^..x...6.X.....●...8..;.X.●...............................
......HP LaserJet III (Additional).........HPLAIIAD.PRS...x............●........
,...\.,..a..MX.●..............2..........<........L......................#|.
x.....................F..................March 4, 1994.....MEMORANDUM FOR SECR
ETARY·BENTSEN...X.....x....X.'.'......X........DEPUTY SECRETARY ALTMAN.."......X
.....x....X.'.'......X........UN
```

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FILENAME: A:\XTRACT\13944.DAT     MON 3/21/1994, 10:40

DISK 115009


Sector 13944:
rust.Corporation, including but not limited to Roger Altman, Jack.DeVore, Jean H
anson or Joshua Steiner.  This includes, but is.not limited to any documents and
/or communications:..........?.....<.......X.....x..1...X.'.'....referring or re
lating to the arrangement, existence,.substance or circumstances of any such mee
tings or.conversations;.."'............?.....<.......X.....x..2...X.'.'....discu
ssed or referred to in any such meetings or.conversations;.."'............?.. ..
<.......X.....x..3...X.'.'....ex
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FILENAME: A:\XTRACT\13946.DAT     MON 3/21/1994, 10:41

DISK 115009


Sector 13946:
or conversations..."'......"...h)..........0*0*0*.....1...".........d..>.......
.........C...2....Also, please immediately preserve and produce any and all.docu
ments and/or communications referring or relating to any.criminal referrals made
 by the Resolution Trust Corporation.about or regarding Madison Guaranty Savings
 & Loan, its.subsidiaries or affiliates. ..These documents must be brought to my
 office in Room 3408 Main.Treasury no later than 3:00 p.m. on Wednesday, March 9
, 1994...If you have any questio
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FILENAME: A:\XTRACT\13947.DAT      MON 3/21/1994, 10:41

DISK 115009


Sector 13947:
ns concerning the above please call me.at 622.0027....1...."........d..>.......
.........C...2....Also, please immediately preserve and produce any and all.docu
ments and/or communications referring or relating to any.criminal referrals made
 by the Resolution Trust Corporation.about or regarding Madison Guaranty Savings
 & Loan, its.subsidiaries or affiliates. ..These documents must be brought to my
 office in Room 3408 Main.Treasury no later than 3:00 p.m. on Wednesday, March 9
, 1994...If you have any questio
```

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FILENAME: A:\XTRACT\14302.DAT     MON 3/21/1994, 10:41

DISK 115009


Sector 14302:
NIOR ADVISOR..!......X..........X.A.A......X........TO THE SECRETARY..!.........
....?.:..<.....FROM:....A.A......X........RONALD K. NOBLE..!......X..........X.
A.A......X........ASSISTANT SECRETARY (ENFORCEMENT)..!.............?.H...<.....S
UBJECT:....A.A......X........Preservation and Production of Documents.and/or Com
munications..!.....In response to your March 4, 1994, memorandum, the Office of.
Enforcement has no documents pertaining to, nor has had any.communications with
Madison Guaranty Savings and Loa
```

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FILENAME: A:\XTRACT\14303.DAT     MON 3/21/1994, 10:41

DISK 115009


Sector 14303:
n, its.subsidiaries or affiliates.....V...P.....Z.................Courier 10cpi.
......?.x.x.x.,.......{..x...6.X......@...8..;.X.@..............................
......HP LaserJet III (Additional).........HPLAIIAD.PRS...x............@........
,...\.,..a..MX.@..............2...........<.........L........................#|.
x.........................................March 8, 1994.......h.vD..............
.........h.vD........MEMORANDUM FOR EDWARD S. KNIGHT...X..........X.A.A......X..
......EXECUTIVE SECRETARY AND SE
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FILENAME: A:\XTRACT\14357.DAT     MON 3/21/1994, 10:41

DISK 115009


Sector 14357:
.WPCN...............2...........B.....V...P.....Z.................Courier 10cpi.
......?.x.x.x.,.......{..x...6.X......@...8..;.X.@..............................
......HP LaserJet III (Additional).........HPLAIIAD.PRS...x............@........
,...\.,..a..MX.@..............2...........<.........L........................#|.
x.........................................March 8, 1994.......h.vD.............h
.vD........MEMORANDUM FOR EDWARD S. KNIGHT...X..........X.A.A......X........EXEC
UTIVE SECRETARY AND SENIOR ADVIS
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FILENAME: A:\XTRACT\14358.DAT     MON 3/21/1994, 10:41

DISK 115009


Sector 14358:
OR..!......X..........X.A.A......X........TO THE SECRETARY..!.............?.....
<.....FROM:....A.A......X........RONALD K. NOBLE..!......X..........X.A.A......X
........ASSISTANT SECRETARY (ENFORCEMENT)..!.............?.H...<.....SUBJECT:...
.A.A......X........Preservation and Production of Documents.and/or Communication
s..!.....In response to your March 4, 1994, memorandum, the Office of.Enforcemen
t has no documents pertaining to, nor has had any.communications with Madison Gu
aranty Savings and Loan, its.sub
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FILENAME: A:\XTRACT\14359.DAT     MON 3/21/1994, 10:42

DISK 115009


Sector 14359:
sidiaries or affiliates.........B.....V...P.....Z.................Courier 10cpi.
......?.x.x.x.,.......{..x...6.X......●...8..;.X.●..............................
......HP LaserJet III (Additional).........HPLAIIAD.PRS...x............●........
,...\.,..a..MX.●..............2...........<.........L........................#|.
x.........................................March 8, 1994.......h.vD.............h
.vD........MEMORANDUM FOR EDWARD S. KNIGHT...X..........X.A.A......X........EXEC
UTIVE SECRETARY AND SENIOR ADVIS
FILENAME: A:\XTRACT\14469.DAT     MON 3/21/1994, 10:42

DISK 115009


Sector 14469:
.WPCN...............2...........B.....V...P.....Z.................Courier 10cpi.
......?.x.x.x.,.......]..x...6.X......@...8..;.X.@..............................
......HP LaserJet III (Additional).........HPLAIIAD.PRS...x............@........
,...\.,..a..MX.@..............2...........<.........L........................#|.
x.......................'...................March 8, 1994.......MEMORANDUM FOR E
DWARD S. KNIGHT...X.4.4......X..........X........EXECUTIVE SECRETARY AND SENIOR
ADVISOR..!......X.4.4......X....
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FILENAME: A:\XTRACT\5328.DAT     MON 3/21/1994, 10:43

DISK 115009

Sector 5328:
 House staff or the staff of.Hillary Rodham Clinton, including but not limited t
o Lisa.Caputo, Mark Gearan, Harold Ickes, Bruce Lindsey, Bernard.Nussbaum or Mar
garet Williams; and 2) any official or employee.of the Department of the Treasur
y or the Resolution Trust.Corporation, including but not limited to Roger Altman
, Jack.DeVore, Jean Hanson or Joshua Steiner.  This includes, but is.not limited
 to any documents and/or communications:..........?.p...<.......X.....x..1...X.'
.'....referring or relating to t
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FILENAME: A:\XTRACT\5329.DAT     MON 3/21/1994, 10:43

DISK 115009


Sector 5329:
he arrangement, existence,.substance or circumstances of any such meetings or.co
nversations;.."'............?.....<.......X.....x..2...X.'.'....discussed or ref
erred to in any such meetings or.conversations;.."'............?.....<.......X..
...x..3...X.'.'....exchanged between any member of the White House staff.or the
staff of Hillary Rodham Clinton, and any.official or employee of the Department
of the.Treasury or the Resolution Trust Corporation at or in.connection with any
 such meetings or conversations;
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FILENAME: A:\XTRACT\5330.DAT     MON 3/21/1994, 10:43

DISK 115009


Sector 5330:
.."'............?..!..<.......X.....x..4...X.'.'....constituting notes taken at
or referring to any such.meetings or conversations;.."'............?..#..<......
.X.....x..5...X.'.'....summarizing, documenting or referring to all or any.part
of any such meetings or conversations..."'............C...2....Also, please imme
diately preserve and produce any and all.."...h)..........0*0*0*.....1...."....E
L........................?.....<.....FROM:....'.'......X........EDWARD S. KNIGHT
.."......X.....x....X.'.'......X
```

```
FILENAME: A:\XTRACT\5618.DAT     MON 3/21/1994, 10:44

DISK 115009


Sector 5618:
of any such meetings or conversations..."'......"...H&..........0*0*0*.....-....
"........g.F@................C...2....Also, please immediately preserve and prod
uce any and all.documents and/or communications referring or relating to any.cri
minal referrals made by the Resolution Trust Corporation.about or regarding Madi
son Guaranty Savings & Loan, its.subsidiaries or affiliates. ..These documents m
ust be brought to my office in Room 3408 Main.Treasury no later than 3:00 p.m. o
n Wednesday, March 9, 1994...If
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FILENAME: A:\XTRACT\5619.DAT      MON 3/21/1994, 10:44

DISK 115009


Sector 5619:
you have any questions concerning the above please call me.at 622.0027..........
..F.................March 7, 1994.....MEMORANDUM FOR BUREAU HEADS..........?...
..<.....FROM:....'.'......X........EDWARD S. KNIGHT.."......X.....x....X.'.'....
..X........EXECUTIVE SECRETARY AND SENIOR ADVISOR.."......X.....x....X.'.'......
X.......TO THE SECRETARY.."............?.....<.....SUBJECT:....'.'......X.....
...Preservation and Production of Documents and/or.Communications.."....Please
immediately preserve and produce
```

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                 DUMPFILE - (C) Copyright 1992 by Andrew M. Fried

FILE - "A:SUPEONA.BUR"

.WPCH..............2..........B.........P.....Z................Courier 10c
pi..#|.x....................x...6.X......@...8..;.X.@.......................
..........HP LaserJet III (Additional)........HPLAIIAD.PRS...x............@.
.......,...\.,..a..MX.@.............2..........<.....V...J.....Z...........
.....Courier 10cpi.......?.x.x.x.,......^..x...6.X......@...8..;.X.@........
...........................HP LaserJet III (Additional)........HPLAIIAD.PRS..
.x...........@.........,...\.,..a..MX.@.............2...........6.....F...`..
.......F.............#|.x........................F..................March 7, 1
994.....MEMORANDUM FOR BUREAU HEADS..........?.....<.....FROM:....`.`......X..
......EDWARD S. KNIGHT.."......X.....x....X.`.`......X........EXECUTIVE SECRET
ARY AND SENIOR ADVISOR.."......X.....x....X.`.`......X........TO THE SECRETARY
.."............?.....<.....SUBJECT:....`.`......X........Preservation and Pro
duction of Documents and/or.Communications.."....Please immediately preserve
and produce any and all documents,.and/or communications referring or relating
 to any contacts,.meetings or conversations about or regarding Madison Guarant
y.Savings & Loan, its subsidiaries or affiliates, held between or.among 1) any
 member of the White House staff or the staff of.Hillary Rodham Clinton, inclu
ding but not limited to Lisa.Caputo, Mark Gearan, Harold Ickes, Bruce Lindsey,
 Bernard.Nussbaum or Margaret Williams; and 2) any official or employee.of the
 Department of the Treasury or the Resolution Trust.Corporation, including but
 not limited to Roger Altman, Jack.DeVore, Jean Hanson or Joshua Steiner.  Thi
s includes, but is.not limited to any documents and/or communications:........
..?.p...<.......X.....x..1...X.`.`....referring or relating to the arrangement
, existence,.substance or circumstances of any such meetings or.conversations;
.."`............?.....<.......X.....x..2...X.`.`....discussed or referred to i
n any such meetings or .."`.....X.....x....X.`.`....conversations;.."`........
....?.....<.......X.....x..3...X.`.`....exchanged between any member of the Wh
ite House staff.or the staff of Hillary Rodham Clinton, and any.official or em
ployee of the Department of the.Treasury or the Resolution Trust Corporation a
t or in.connection with any such meetings or conversations;.."`...........?..
!..<.......X.....x..4...X.`.`....constituting notes taken at or referring to a
ny such.meetings or conversations;.."`...........?..#..<.......X.....x..5...X
.`.`....summarizing, documenting or referring to all or any.part of any such m
eetings or conversations..."`......"...H&..........0*0*0*....-...."........g.
F@...............C...2....Also, please immediately preserve and produce any a
nd all.documents and/or communications referring or relating to any.criminal r
eferrals made by the Resolution Trust Corporation.about or regarding Madison G
uaranty Savings & Loan, its.subsidiaries or affiliates. ..These documents must
 be brought to my office in Room 3408 Main.Treasury no later than 3:00 p.m. on
 Wednesday, March 9, 1994...If you have any questions concerning the above ple
ase call me.at 622.0027.

Program finished...
```

```
                    DUMPFILE - (C) Copyright 1992 by Andrew M. Fried

FILE - "A:SUPEONA"

.WPCN..............2..........B....V..P....Z................Courier 10c
pi.......?.x.x.x.,......^..x...6.X......@...8..;.X.@......................
..........HP LaserJet III (Additional).........HPLAIIAD.PRS...x............@.
.......,...\.,..a..MX.@.............2..........<.......L................
......#|.x.....................F.................March 4, 1994....MEMORAND
UM FOR SECRETARY BENTSEN...X.....x....X.‘.‘......X........DEPUTY SECRETARY ALT
MAN.."......X.....x....X.‘.‘......X........UNDER SECRETARIES.."......X.....x..
..X.‘.‘......X........ASSISTANT SECRETARIES.."......X.....x....X.‘.‘......X...
.....GENERAL COUNSEL.."............?....<.....FROM:....‘.‘......X........EDW
ARD S. KNIGHT.."......X.....x....X.‘.‘......X........EXECUTIVE SECRETARY AND S
ENIOR ADVISOR.."......X.....x....X.‘.‘......X........TO THE SECRETARY.."......
.......?....<.....SUBJECT:....‘.‘......X........Preservation and Production..
..d..>....s.... of Documents and/or.Communications.."....Please immediately p
reserve and produce any and all documents,.and/or communications referring or
relating to any contacts,.meetings or conversations about or regarding Madison
 Guaranty.Savings & Loan, its subsidiaries or affiliates, held between or.amon
g 1) any member of the White House staff or the staff of.Hillary Rodham Clinto
n, including but not limited to Lisa.Caputo, Mark Gearan, Harold Ickes, Bruce
Lindsey, Bernard.Nussbaum or Margaret Williams; and 2) any official or employe
e.of the Department of the Treasury or the Resolution Trust.Corporation, inclu
ding but not limited to Roger Altman, Jack.DeVore, Jean Hanson or Joshua Stein
er.  This includes, but is.not limited to any documents and/or communications:
..........?....<.......X.....x..1...X.‘.‘....referring or relating to the arr
angement, existence,.substance or circumstances of any such meetings or.conver
sations;.."‘...........?....<.......X.....x..2...X.‘.‘....discussed or refer
red to in any such meetings or.conversations;.."‘...........?.. ..<.......X..
...x..3...X.‘.‘....exchanged between any member of the White House staff.or th
e staff of Hillary Rodham Clinton, and any.official or employee of the Departm
ent of the.Treasury or the Resolution Trust Corporation at or in.connection wi
th any such meetings or conversations;.."‘...........?..$..<.......X.....x..4
...X.‘.‘....constituting notes taken at or referring to any such.meetings or c
onversations;.."‘...........?..’..<.......X.....x..5...X.‘.‘....summarizing,
documenting or referring to all or any.part of any such meetings or conversati
ons..."‘......"...h)..........0*0*0*.....1...."..........C...2....Also, pleas
e immediately preserve and produce any and all.documents and/or communications
 referring or relating to any.criminal referrals made by the Resolution Trust
Corporation.about or regarding Madison Guaranty Savings & Loan, its.subsidiari
es or affiliates. ..These documents must be brought to my office in Room 3408
Main.Treasury no later than 3:00 p.m. on Wednesday, March 9, 1994...If you hav
e any questions concerning the above please call me.at 622.0027.

Program finished...
```

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FILENAME: A:\XTRACT\132713.DAT     MON 3/21/1994, 10:57

DISK 115012


Sector 132713:
...........Deputy Secretary Altman in...............<...............his capacity
of head of..........the RTC;..........?....<............<.....3..........letter
from Congressman.............0.<..............Bachus requesting that the........
.....●.<..............Deputy Secretary provide................<..............the
House Banking...............<..............Committee with a briefing............
...<..............of the same nature as the...............<...............one pro
vided to White.............P.<..
```

```
FILENAME: A:\XTRACT\132745.DAT     MON 3/21/1994, 10:57

DISK 115012


Sector 132745:
ary Altman in...............<..............his capacity of head of..........the
RTC;..........?.....<...........<.....3..........letter from Congressman........
.....0.<..............Bachus requesting that the.............@.<..............De
puty Secretary provide...............<..............the House Banking...........
....<..............Committee with a briefing...............<..............of the
 same nature as the...............<..............one provided to White..........
...P.<..............House offici
```

DUMPFILE - (C) Copyright 1992 by Andrew M. Fried

FILE - "A:940308"

Redacted

```
                                        Bachus requesting that the.....
   ...............Deputy Secretary provide..............<............
.the House Banking.............<.............Committee with a briefing.....
.........<..............of the same nature as the.............<...........
..one provided to White...........P.<.............House officials on the...
..........●.<..............ongoing investigation of.........Madison Guaranty
```

Redacted

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                   DUMPFILE - (C) Copyright 1992 by Andrew M. Fried

FILE - "DOCUMENT"

.WPC................2...........B.........P....Z.................Courier 10c
pi..#|.|.................^..x...6.X......@...8..;.X.@.........................
...........HP LaserJet IIID (Additional)........HPLAIIAD.PRS...x............@.
.......,...\.,..H..RX.@.#|.|...............2......."...B....."................
...X.......Courier 10cpi.CG Times (Scalable)....HPLAIIAD.PRS...x............@.
.......,...\.,..c..DX.@Courier 10cpi.CG Times (Scalable)..."...S.h.....5......
.............^>E`hh..EEEh.EEEEhhhhhhhhhhEE...]......{..EQ.....x..p.......EEEhh
E]h]h]Ehh::h:.hhhhMQ:hh.hh]]h]..E.hh..hhh...E.hhhhhh.hhh:..].].].].]...].].].]
.]E:E:E:E:.h.h.h.h.h.h.h.h.h.h.].x.h.h.h.hxh.h.h.h...h.h.h.h.h.h.h.h...h.h.h.h
.h.h.hh:hhhh...thh.h...h.h.:.:...{.h.h.h.h.....h.h..pQphph.h.h.h.h.h.h.h......
.h...].E.....hh...E......EEW.................................................xx
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxN..h.hhE]UUhh.hhh..hIhhhh.I.EE.llh.66..
hh...h.h.h.{..tt.....hEl......h.......I"........h...l..........x.........h..
........hEE...................xE.h.hth.....hEh.]hx...................`......
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.................]........]....................................................
..................E......E......E......E.......................................
..........................................t...t.].Q.].h.]E:.].t.t.].h.]..xh.h.
h.].]...t.......Eh....]......EEhhh.h..........................................
...........................hhh...............................................E
..x.h]E).xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx......?.x.x.x.,.......^..x..
.6.X......@...8..;.X.@..........................................:.|.E.>.,.....
.?Nq.|........... P...7...q.P...............................................
P...7....?Nq.P#....`.8....(..`.9...<...`.:....3..`.;....8..`.<...\>..`.=.....
..`.>....H.,...H.,...\.,...`.,...X.,.X.p.,.X.t.,.X.l.,.......,...L.,...\.,...\.
,.......2.......9...!.........Z.....8...d.....F...`...........[.....-.........
............................................X.....`.....h.....p...  .x..  (#.%.'
0*.,..81.3.5@8.:.<H?.A...............................,.....4.....<.
....D.....L....!T$.&.)\+.-.0d2.4.719.;.>t@.B..................................
...................#..q.|........... P....7....?Nq.P#...11-12-93 10:50a
  .desp
             ............2.........2......................................
.............[.....-..............................,.....4.....<.....D...
..L....!T$.&.)\+.-.0d2.4.719.;.>t@.B..........................................
,...h.........................................................................
..............................k...*....D.3 1, 4..............................
............................D...............[.....-.........Memorandum for Und
er Secretaries...h.h.-...........Assistant Secretaries...h.h.-...........Chief
 of Staff...h.h.-...........Executive Secretary.........[.....-.....From:....
.....Roger Altman ..........[.j...-.....Subject:.........Communications with t
he White House... ............. .........In addition to the memo you have ...
.h..G...recieve........h..G......received....h..G..........h..G....d.... from
 the Executive Secretary, Ed Knight,........... ._......regarding the collect
ion and production of documents in connection with the.......... .........sub
poenas.  Would you please advise _________ as soon as possible with respect to
.any communications, whether written or oral, with the White House on this mat
ter............ .........Moreover, you must preserve and collect any and all
documents and/or.......... .>......communications referring or relating to a
ny criminal referrals made by the Resolution.......... .n......Trust Corpora
tion about or regarding Madison Guaranty Savings & Loan, its.subsidiaries or a
ffiliates...

Program finished...
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completed after I've left. ..Third, I might point out that the RTC referred th
is matter to the Justice Department for.possible criminal review last October.
  I was also interim CEO at that time...I was advised at that time that such a
 review was being conducted and that a decision on.referral to Justice would b
e made.  As certain Treasury and RTC officers will attest, I took.the position
 that normal, arms length procedures should be followed.  If such a decision o
n.referral was typically made at the regional office level, my view was that i
t should be made.that way in this matter....."..............0*0*0*....7....."
...........Y....-........V..F..................#..X.w..........  P....7..
..[AX.P#...What Conversations Have You Had with the White House on this Matter?.
proximately three weeks ago, Jean Hanson.(Treasury General Counsel) and I requ
ested a meeting with Mr. Nussbaum, White House.Counsel.  At that time, the sta
tute of limitations on matters like this was set to expire on.February 28...We
 advised Mr. Nussbaum that the RTC would be reaching a decision on this matter
 before.that date.  That there were only two decisions which could be reached:
  (1) finding that there.existed a basis for a civil claim which lead either t
o a tolling agreement between the RTC.and the parties at interest or to the RT
C's filing a claim in court.   Alternatively, the RTC.could conclude that ther
e was not sufficient basis for a claim and permit the statute of.limitations t
o lapse...We made clear that we had no idea at all what decision would be reac
hed.  I did say,.however, that if I received a clear recommendation from the R
TC's chief legal officer, I.would follow it.  I also said that I was reserving
 judgement on a recusal.  ..We were only asked one question.  Did we intend to
 provide the same briefing on the RTC's.processes to attorneys for the parties
 at interest.  I said that I assumed so but would check.with the RTC General C
ounsel...Jean Hanson did check and was told "in due course"  "I said fine"....
."..............0*0*0*.........."............Y....-..................Why did
you brief the White House on those processes?...........Y....-........We wan
ted them to know that we would handle this on a strictly professional arms len
gth.basis.  Just like the October decision on referring the Madison matter to
Justice...........Y._...-..................Why did you judge it wise to brief
them?... ...It was intended as a warning to the effect that anything could hap
pen...........Y....-................Who else attended that meeting?......Mr
. Ickes, Ms. Williams and Mrs. Nussbaum's deputy...........Y.y...-.......A...
......Were there any other conversations at all......The only other discussion
 .. which lasted about five minutes .. occurred later when indicated.that I wa
s not inclined towards a recusal......V..F......

Program finished...
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FILENAME: A:\XTRACT\11080.DAT     MON 3/21/1994, 12:12

DISK 115037

Sector 11080:
 the Washington Post and one from The New York.Times.  The memo and the file fol
der are are attached.  ..In addition, I have searched my computer and have found
 no.evidence of any piece of correspondence relating to Madison.  ..The calendar
 reflects that on October 14, Mr. Steiner did visit.the office of Mr. Nussbaum b
ut no subject is listed.  A copy of.that day's schedule is attached.  Mr. Steine
r, according to my.appointment book, met with Mr. Nussbaum on one other occasion
 but.was in connection with the
```

```
FILENAME: A:\XTRACT\11081.DAT     MON 3/21/1994, 12:12

DISK 115037


Sector 11081:
WACO report...For calendar year 1994, I show a meeting on the schedule for.Febru
ary 23 which relates to Whitewater.  To my knowledge, this.meeting did not take
place.  Enclosed is a copy of that day's.schedule...I might add that Mr. Steiner
 has never asked me to obtain any.documents, or to set up any meeting that relat
ed to Whitewater.and/or Madison. ....h..E...........h..E...... ..ave.been searc
hed thoroughly.  Of the 5.drawer cabinet, only two.complete drawers contain Mr.
Steiners's personal chron and.su
```

```
FILENAME: A:\XTRACT\11102.DAT     MON 3/21/1994, 12:12

DISK 115037


Sector 11102:
,..H..PX.@....2.,.........<.....F...'.........F.............................h..E
.....................h..E............ ..March 8, 1994......MEMORANDUM FOR EDWARD
 S. KNIGHT.......x....'.'......................?.@...<.....FROM:..'.'....CAROLYN
 ESTEP..........?.....<.....SUBJECT:..'.'....MADISON RELATED MATERIALS...All fil
es and/or books maintained for the Chief of Staff, Joshua.L. Steiner, in the 5.d
rawer cabinet to the left of my desk have.been searched thoroughly.  Of the 5.dr
awer cabinet, only two.complete
```

```
FILENAME: A:\XTRACT\11111.DAT     MON 3/21/1994, 12:13

DISK 115037


Sector 11111:
drawers contain Mr. Steiners's personal chron and.subject files.  The other draw
ers contain briefing books, .supplies and miscellaneous items.  In this search,
I have found.one memo and one folder which is remotely related to the above.subj
ect. They are:  Memorandum to Secretary Bentsen from Messrs..Newman and Steiner
about the appointment of Jonathan Fiechter as.Deputy CEO, and the second is a fi
le labeled "Whitewater.Development Issue" which contains two Wall Street Journal
.articles dated Jan. 4, 1991 and
```

```
FILENAME: A:\XTRACT\11112.DAT     MON 3/21/1994, 12:13

DISK 115037


Sector 11112:
 December 28, 1993, and three wire.stories, two from the Washington Post and one
 from The New York.Times.  The memo and the file folder are are attached.  ..In
addition, I have searched my computer and have found no.evidence of any piece of
 correspondence relating to Madison.  ..The calendar reflects that on October 14
, Mr. Steiner did visit.the office of Mr. Nussbaum but no subject is listed.  A
copy of.that day's schedule is attached.  Mr. Steiner, according to my.appointme
nt book, met with Mr. Nussbaum o
```

```
FILENAME: A:\XTRACT\11113.DAT     MON 3/21/1994, 12:13

DISK 115037


Sector 11113:
n one other occasion but.was in connection with the WACO report...For calendar y
ear 1994, I show a meeting on the schedule for.February 23 which relates to Whit
ewater.  To my knowledge, this.meeting did not take place.  Enclosed is a copy o
f that day's.schedule...I might add that Mr. Steiner has never asked me to obtai
n any.documents, or to set up any meeting that related to Whitewater.and/or Madi
son. .. ..net to the left of my desk have.been searched thoroughly.  Of the 5.dr
awer cabinet, only two.complete
```

```
FILENAME: A:\XTRACT\11222.DAT     MON 3/21/1994, 12:13

DISK 115037


Sector 11222:
,..H..PX.@....2...........<.....F...`........F...................................
......... ..March 8, 1994.....MEMORANDUM FOR EDWARD S. KNIGHT.......x....`.`...
..........EXECUTIVE SECRETARY AND .......x....`.`.............SENIOR ADVISOR TO
THE SECRETARY.......x....`.`.....................?.....<.....FROM:..`.`....CARO
LYN ESTEP.......x....`.`....SECRETARY TO JOSHUA L. STEINER...........?.....<....
.SUBJECT:..`.`....MADISON RELATED MATERIALS...Per your request, all files and/or
 books maintained for the Chief.
```

FILENAME: A:\XTRACT\11223.DAT MON 3/21/1994, 12:14

DISK 115037

Sector 11223:
of Staff, Joshua L. Steiner, in the 5.drawer cabinet to the left.of my desk have been searched thoroughly. Of the 5.drawer.cabinet, only two complete drawers contain Mr. Steiners's.personal chron and subject files. The other drawers contain.briefing books, supplies and miscellaneous items. In this.search, I have found one memo and one folder which is remotely.related to the above subject. They are: Memorandum to Secretary.Bentsen from Messrs. Newman and Steiner about the appointment of.Jonathan Fiechter

```
FILENAME: A:\XTRACT\11224.DAT     MON 3/21/1994, 12:14

DISK 115037


Sector 11224:
 as Deputy CEO, and the second is a file labeled."Whitewater Development Issue"
which contains two Wall Street.Journal articles dated Jan. 4, 1991 and December
28, 1993, and.three wire stories, two from the Washington Post and one from The.
New York Times.  The memo and the file folder are attached.  ..In addition, I ha
ve searched my computer and have found no.evidence of any piece of correspondenc
e relating to Madison.  ..The calendar reflects that on October 14, Mr. Steiner
did visit.the office of Mr. Nuss
```

```
FILENAME: A:\XTRACT\11225.DAT     MON 3/21/1994, 12:14

DISK 115037


Sector 11225:
baum but no subject is listed.  A copy of.that day's schedule is attached.  Mr.
Steiner, according to my.appointment book, met with Mr. Nussbaum on one other oc
casion but.was in connection with the WACO report...For calendar year 1994, I sh
ow a meeting on the schedule for.February 23 which relates to Whitewater.  To my
 knowledge, this.meeting did not take place.  Enclosed is a copy of that day's.s
chedule...I might add that Mr. Steiner has never asked me to obtain any.document
s, or to set up any meeting that
```

```
FILENAME: A:\XTRACT\11226.DAT     MON 3/21/1994, 12:14

DISK 115037

.
Sector 11226:
 related to Whitewater.and/or Madison. ..........?..'..<.....cc:......x..Dennis
Foreman.........?..'..<...........x..Joshua ....h..E......L. Steiner....h..E....
....h.h......CUTIVE SECRETARY AND .......x...'.'..............SENIOR ADVISOR TO
THE SECRETARY.......x....'.'......................?.....<.....FROM:..'.'....CARO
LYN ESTEP.......x....'.'....SECRETARY TO JOSHUA L. STEINER...........?.....<....
.SUBJECT:..'.'....MADISON RELATED MATERIALS...Per your request, all files and/or
 books maintained for the Chief.
```

```
FILENAME: A:\XTRACT\11230.DAT     MON 3/21/1994, 12:14

DISK 115037


Sector 11230:
,..H..PX.@....2..........<.....F...`........F..............................
......... ..March 8, 1994.....MEMORANDUM FOR EDWARD S. KNIGHT.......x....`.`...
..........EXECUTIVE SECRETARY AND .......x....`.`.............SENIOR ADVISOR TO
THE SECRETARY.......x....`.`....................?.....<.....FROM:..`.`....CARO
LYN ESTEP.......x....`.`....SECRETARY TO JOSHUA L. STEINER..........?.....<....
.SUBJECT:..`.`....MADISON RELATED MATERIALS...Per your request, all files and/or
 books maintained for the Chief.
```

FILENAME: A:\XTRACT\11231.DAT   MON 3/21/1994, 12:14

DISK 115037

Sector 11231:
of Staff, Joshua L. Steiner, in the 5.drawer cabinet to the left.of my desk have
 been searched thoroughly. Of the 5.drawer.cabinet, only two complete drawers c
ontain Mr. Steiners's.personal chron and subject files. The other drawers conta
in.briefing books, supplies and miscellaneous items. In this.search, I have fou
nd one memo and one folder which is remotely.related to the above subject. They
are: Memorandum to Secretary.Bentsen from Messrs. Newman and Steiner about the
appointment of.Jonathan Fiechter

FILENAME: A:\XTRACT\11281.DAT MON 3/21/1994, 12:15

DISK 115037

Sector 11281:
1993, Mr. Steiner.visited the office of Mr. Nussbaum but no subject is listed.
A.copy of that day's schedule is attached for your record. ..For calendar year
1994, Mr. Steiner attended RTC meetings on.February 22 and February 23, which,
according to my calendar, .related to RTC/Whitewater in connection with the Secr
etary's RTC.Oversight Board testimony before Congress. Attached is a copy of.th
ose dates...I might add that to the best of my memory Mr. Steiner has never.aske
d me to obtain any documents, or

```
FILENAME: A:\XTRACT\11282.DAT     MON 3/21/1994, 12:15

DISK 115037


Sector 11282:
 to set up any meeting that.related to Whitewater and/or Madison. ..........?..$
..<.....cc:......x..Dennis Foreman......x..Joshua L. Steiner..Attachments'.....
........EXECUTIVE SECRETARY AND SENIOR ADVISER......x...`.`.............TO THE
 SECRETARY......x...`.`....................?.●...<.....FROM:..`.`..........
..CAROLYN ESTEP......x...`.`.............SECRETARY TO  JOSHUA L. STEINE......
...?....<........h..E........SUBJECT:..`.`....MADISON RELATED MATERIALS...Per
 your request, all files and/or
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FILENAME: A:\XTRACT\11294.DAT     MON 3/21/1994, 12:15

DISK 115037


Sector 11294:
,..H..PX.@....2...........<.....F...`.........F............................... .
.March 8, 1994.....MEMORANDUM FOR EDWARD S. KNIGHT.......x...`.`.............EX
ECUTIVE SECRETARY AND SENIOR ADVISER.......x...`.`..............TO THE SECRETARY
.......x...`.`......................?.@...<.....FROM:..`.`............CAROLYN
ESTEP.......x...`.`.............SECRETARY TO  JOSHUA L. STEINE..........?.....<
.....SUBJECT:..`.`....MADISON RELATED MATERIALS...Per your request, all files an
d/or books maintained for the Ch
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FILENAME: A:\XTRACT\11983.DAT     MON 3/21/1994, 12:19

DISK 115037


Sector 11983:
ief.of Staff, Joshua L. Steiner, in the 5.drawer cabinet to the left.of my desk
have been searched thoroughly.  Of the 5.drawer.cabinet, only two complete drawe
rs contain Mr. Steiner's .personal chron and subject files.  The other drawers c
ontain.briefing books, supplies and miscellaneous items.  I have.searched all dr
awers and have found one memo and one folder which.is remotely related to the ab
ove subject. They are:  Memorandum.to Secretary Bentsen from Messrs. Newman and
Steiner about the.appointment of
```

```
FILENAME: A:\XTRACT\11984.DAT     MON 3/21/1994, 12:19

DISK 115037


Sector 11984:
 Jonathan Fiechter as Deputy CEO, and the second is.a file labeled "Whitewater D
evelopment Issue" which contains two.Wall Street Journal articles dated Jan. 4,
1991 and December 28,.1993, and three wire stories..one from The Washington Post
, one.from the New York Times and one from The Washington Times.  A.copy of the
memo and copies of the news articles are attached.  ..In addition, I have search
ed my computer and have found no.evidence of any piece of correspondence relatin
g to Madison.  ..The calendar re
```

```
Sector 11984:
 Jonathan Fiechter as Deputy CEO, and the second is.a file labeled "Whitewater D
evelopment Issue" which contains two.Wall Street Journal articles dated Jan. 4,
1991 and December 28,.1993, and three wire stories..one from The Washington Post
, one.from the New York Times and one from The Washington Times.  A.copy of the
memo and copies of the news articles are attached.  ..In addition, I have search
ed my computer and have found no.evidence of any piece of correspondence relatin
g to Madison.  ..The calendar re
```

```
FILENAME: A:\XTRACT\11985.DAT     MON 3/21/1994, 12:19

DISK 115037


Sector 11985:
flects that on October 14, 1993, Mr. Steiner.visited the office of Mr. Nussbaum
but no subject is listed.  A.copy of that day's schedule is attached for your re
cord.  ..For calendar year 1994, the calendar reflects RTC meetings on.February
22 and February 23, which relate....h..E....d.... to RTC/Whitewater in.connectio
n with the Secretary's RTC Oversight Board testimony on.February 24, before Cong
ress.  Attached are copies of these.pages.  ..I might add that to the best of m
y memory Mr. Steiner has never.a
```

```
FILENAME: A:\XTRACT\11986.DAT     MON 3/21/1994, 12:19

DISK 115037


Sector 11986:
sked me to obtain any documents, or to set up any meeting that.related to Whitew
ater and/or Madison. ..........?..$..<.....cc:......x..Dennis Foreman.......x..J
oshua L. Steiner..AttachmentsADVISER.......x....`.`.............TO THE SECRETARY
.......x....`.`......................?.@...<.....FROM:..`.`.............CAROLYN 
ESTEP.......x....`.`.............SECRETARY TO JOSHUA L. STEINER..........?.....<
.....SUBJECT:..`.`....MADISON RELATED MATERIALS...Per your request, all files an
d/or books maintained for the Ch
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```
FILENAME: A:\XTRACT\9798.DAT     MON 3/21/1994, 12:19

DISK 115037


Sector 9798:
,..H..PX.@...2...........<.....F...'.........F................................
........ ..March 8, 1994.....MEMORANDUM FOR EDWARD S. KNIGHT.......x....'.'.....
........EXECUTIVE SECRETARY AND SENIOR ADVISER.......x....'.'.............TO THE
 SECRETARY.......x....'.'....................?.@...<.....FROM:..'.'..........
..CAROLYN ESTEP.......x....'.'.............SECRETARY TO JOSHUA L. STEINER.......
...?.....<.....SUBJECT:..'.'....MADISON RELATED MATERIALS...Per your request, al
l files and/or books maintained
```

```
FILENAME: A:\XTRACT\9799.DAT     MON 3/21/1994, 12:19

DISK 115037


Sector 9799:
for the Chief.of Staff, Joshua L. Steiner, in the 5.drawer cabinet to the left.o
f my desk have been searched thoroughly.  Of the 5.drawer.cabinet, only two comp
lete drawers contain Mr. Steiner's .personal chron and subject files.  The other
 drawers contain.briefing books, supplies and miscellaneous items.  I have.searc
hed all drawers and have found one memo and one folder which.is remotely related
 to the above subject. They are:  Memorandum.to Secretary Bentsen from Messrs. N
ewman and Steiner about the.appo
```

```
FILENAME: A:\XTRACT\9800.DAT     MON 3/21/1994, 12:19

DISK 115037


Sector 9800:
intment of Jonathan Fiechter as Deputy CEO, and the second is.a file labeled "Wh
itewater Development Issue" which contains two.Wall Street Journal articles date
d Jan. 4, 1991 and December 28,.1993, and three wire stories..one from The Washi
ngton Post, one.from the New York Times and one from The Washington Times.  A.co
py of the memo and copies of the news articles are attached.  ..In addition, I h
ave searched my computer and have found no.evidence of any piece of corresponden
ce relating to Madison.  ..The c
```

FILENAME: A:\XTRACT\9809.DAT MON 3/21/1994, 12:20

DISK 115037

Sector 9809:
alendar reflects that on October 14, 1993, Mr. Steiner.visited the office of Mr.
 Nussbaum but no subject is listed. The.Appointment Books for calendar year 1993
 are attached. ..For calendar year 1994, the calendar reflects RTC meetings on.
February 22 and February 23, which relate to RTC/Whitewater in.connection with t
he Secretary's RTC Oversight Board testimony on.February 24, before Congress.
The Appointment Book for 1994 is.attached...'.i..C.... are copies of these pages
.'... ..I might add that to the

```
FILENAME: A:\XTRACT\9810.DAT     MON 3/21/1994, 12:20

DISK 115037


Sector 9810:
 best of my memory Mr. Steiner has never.asked me to obtain any documents, or to
 set up any meeting that.related to Whitewater and/or Madison. ..........?..$..<
.....cc:......x..Dennis Foreman.......x..Joshua L. Steiner..Attachments...TO THE
 SECRETARY.......x....'.'.....................?.@...<.....FROM:..'.'...........
..CAROLYN ESTEP.......x....'.'............SECRETARY TO JOSHUA L. STEINER.......
...?.....<.....SUBJECT:..'.'....MADISON RELATED MATERIALS...Per your request, al
l files and/or books maintained
```

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                 DUMPFILE - (C) Copyright 1992 by Andrew M. Fried

FILE - "A:JOSHUA"

.WPCH...............2...........B.........P.....Z..................Courier 10c
pi..#|.x.................w..x...6.X......@...8..;.X.@.........................
...........HP LaserJet III......................HPLASIII.PRS...x............@.
.......,...\.,..H..PX.@..............2...........<.........L.....V...Z.....Z..
......#|.x...........Courier 10cpi.......?.x.x.x.,.......w..x...6.X......@...8
..;.X.@....................................HP LaserJet III....................
..HPLASIII.PRS...x............@........,...\.,..H..PX.@....2...........<.....F
...`.........F............................... ..March 8, 1994.....MEMORANDUM F
OR EDWARD S. KNIGHT.......x....`.`.............EXECUTIVE SECRETARY AND SENIOR
ADVISER.......x....`.`.............TO THE SECRETARY.......x....`.`............
..........?.@...<.....FROM:..`.`.............CAROLYN ESTEP.......x....`.`.....
........SECRETARY TO JOSHUA L. STEINER..........?.....<.....SUBJECT:..`.`....M
ADISON RELATED MATERIALS...Per your request, all files and/or books maintained
 for the Chief.of Staff, Joshua L. Steiner, in the 5.drawer cabinet to the lef
t.of my desk have been searched thoroughly.  Of the 5.drawer.cabinet, only two
 complete drawers contain Mr. Steiner's .personal chron and subject files.  Th
e other drawers contain.briefing books, supplies and miscellaneous items.  I h
ave.searched all drawers and have found one memo and one folder which.is remot
ely related to the above subject. They are:  Memorandum.to Secretary Bentsen f
rom Messrs. Newman and Steiner about the.appointment of Jonathan Fiechter as D
eputy CEO, and the second is.a file labeled "Whitewater Development Issue" whi
ch contains two.Wall Street Journal articles dated Jan. 4, 1991 and December 2
8,.1993, and three wire stories..one from The Washington Post, one.from the Ne
w York Times and one from The Washington Times.  A.copy of the memo and copies
 of the news articles are attached.  ..In addition, I have searched my compute
r and have found no.evidence of any piece of correspondence relating to Madiso
n.  ..The calendar reflects that on October 14, 1993, Mr. Steiner.visited the
office of Mr. Nussbaum but no subject is listed. The.Appointment Books for cal
endar year 1993 are attached.  ..For calendar year 1994, the calendar reflects
 RTC meetings on.February 22 and February 23, which relate to RTC/Whitewater i
n.connection with the Secretary's RTC Oversight Board testimony on.February 24
, before Congress.  The Appointment Book for 1994 is.attached.  ..I might add
 that to the best of my memory Mr. Steiner has never.asked me to obtain any do
cuments, or to set up any meeting that.related to Whitewater and/or Madison. .
.Attachments..........?.H&..<.....cc:......x..Dennis Foreman.......x..Joshua L
. Steiner.....i..C....Attachments....

Program finished...
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FILENAME: A:\XTRACT\27439.DAT     MON 3/21/1994, 13:26

DISK 115257


Sector 27439:
at he could.do the background work to prepare for it.  ..Q:  But didn't you expe
ct him to tell others?  In fact, didn't.you expect that he would tell others in
the White House?..A:  I didn't expect him to do that.  I expected that he would
use.the information to prepare himself for an inquiry...Q:  Who in Treasury or t
he RTC knew that you had this.conversation?..A:  I don't recall that I told anyo
ne of the conversation...Q:  Did you tell Mr. Altman?..A:  No...Q:  Did anyone a
sk you to have this conversation
```

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FILENAME: A:\XTRACT\27440.DAT     MON 3/21/1994, 13:26

DISK 115257


Sector 27440:
?.:A:  No...Q:  Did you have any further conversations with anyone from the.Whit
e House on this matter?..A:  I attended a meeting with several people on October
 14 to.discuss a press inquiry and procedures to handle press inquiries.on Madis
on Guaranty.  I had little to add because I knew nothing.more about the issue an
d I was not involved in the handling of.press inquiries...Q:  Then why did you a
ttend?..A:  The conversation related to procedure and processing of press.inquir
ies.  Mr. Nussbaum attended.  It
```

FILENAME: A:\XTRACT\27441.DAT MON 3/21/1994, 13:26

DISK 115257

Sector 27441:

is routine for senior.lawyers to talk about procedural matters, even in criminal.matters...Q: Did you have any other conversations with Mr. Nussbaum or his.staff, or anyone else from the White House on this matter?..A: Nothing that I can recall other than the meeting on February.2 with Mr. Altman that has previously been addressed...Q: You had no conversations with the White House on this matter?..e RTC relating.to Madison Guaranty [and that I understood that the President and.the First Lady were mentio

```
FILENAME: A:\XTRACT\27531.DAT     MON 3/21/1994, 13:26

DISK 115257


Sector 27531:
t Mr. Altman at the February.24 Senate Hearing and remind him of the meetings la
st fall?.(#.............?.....<.....A:..X.....x..I have not discussed this with
 Ms. Hanson, but knowing her.as I do, I am satisfied that there was no intention
 of.concealing any information..(#......."...0..........0*0*0*.........."......
..........................C.....................................
                                   Insert 32A..........?.....<.....Q:..X.....x.
.Why did Ms. Hanson not interrup
```

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FILENAME: A:\XTRACT\27783.DAT     MON 3/21/1994, 13:27

DISK 115257


Sector 27783:
appropriate time...!.............?.....<.....o..X.....x..This information was co
mmunicated to Mr. Altman by the.RTC General Counsel...!......................?.
 ...<.....o..X.....x..To date, to Mr. Altman's knowledge, no counsel has been.co
ntacted.  It is acknowledged by all that, if and when.it is appropriate to conta
ct anyone with respect to.statute of limitations issues involving the President.
or Mrs. Clinton, Mr. Kendall is the correct contact...!.............?..!..<....
........x.....'.'...............
```

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FILENAME: A:\XTRACT\28346.DAT     MON 3/21/1994, 13:29

DISK 115257


Sector 28346:
,..G.sxX.●....2..........<.........F............................................
...........?.....<........Madison/Whitewater:  Conversations with White House...
...........?. ...<.....Q...X.....x..Mr. Altman, have you or any of the Treasury
officials held.any conversations with the White House concerning this.matter?.(#
............?.●...<.....A...X.....x..I have had one meeting with White House st
aff on this.matter.  Jean Hanson, General Counsel of the Treasury, and I.met ear
lier this month with Bernard Nus
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FILENAME: A:\XTRACT\28347.DAT     MON 3/21/1994, 13:29

DISK 115257


Sector 28347:
sbaum, White House.Counsel, one of his assistants, [Mac McLarty], Harold Ickes,.
and Margaret Williams..(#...........x..The purpose of the meeting was to describ
e the procedural.reasons for the then impending February 28 deadline.  That was:
 .due to the enactment of the Completion Act, the statute of.limitations was ret
roactively reinstated for certain types of.civil claims (those relating to fraud
 and certain claims relating.to.intentional misconduct); the extended statute of
 limitations,.as it related to M
```

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FILENAME: A:\XTRACT\28351.DAT     MON 3/21/1994, 13:30

DISK 115257


Sector 28351:
outcome of its.decision?.(#............?.X...<.....A...X.....x..No..(#.........
....?.....<.....Q...X.....x..Mr. Altman, why did you meet with White House staff
 on the.Madison Guaranty matter?.(#............?.●...<.....A...X.....x..Solely
to ensure that they understood the legal, procedural.framework within which the
RTC was working. (If you recall,.........?.....<.....at that time the February 2
8 date was the subject of ...major....attention in the Congress and the press.)
 It is not.uncommon for meetings
```

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FILENAME: A:\XTRACT\28352.DAT      MON 3/21/1994, 13:30

DISK 115257


Sector 28352:
 of this type to take place.  The.meeting could have taken place between the law
yers, this was.simply a legal briefing with a larger audience..(#............?.
....<.....A...X.....x..Why did the Treasury General Counsel accompany you and no
t.the RTC General Counsel?.(#............?.....<.....A...X.....x..The presence
of the RTC General Counsel was not necessary.for the discussion.  We were discus
sing only the broad.procedural framework of the statute of limitations issue. .W
e were not discussing any specif
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FILENAME: A:\XTRACT\28353.DAT     MON 3/21/1994, 13:30

DISK 115257


Sector 28353:
ics.  The Treasury General.Counsel understands the broad issues and has not been
.involved at all in the review process.  She was there to.present the broad lega
l framework but could not have.answered questions on specifics even if she had b
een asked,.which she was not..(#........"...p...........0*0*0*.... ....."......
.......?.....<........Cravath Bill.............?.  ...<.....Q...X.....x..I unders
tand that [a mega.amount] has been paid to the law.firm of Cravath, Swaine & Moo
re by the RTC.  This results in.
```

```
FILENAME: A:\XTRACT\28359.DAT     MON 3/21/1994, 13:30

DISK 115257


Sector 28359:
pt their conclusions.....<.........F............................................
...........?.....<........Madison/Whitewater:  Conversations with White House...
...........?. ...<.....Q...X.....x..Mr. Altman, have you or any of the Treasury
officials held.any conversations with the White House concerning this.matter?.(#
...........  ?.@...<.....A...X.....x..I have had one meeting with White House st
aff on this.matter.  Jean Hanson, General Counsel of the Treasury, and I.met ear
lier this month with Bernard Nus
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FILENAME: A:\XTRACT\28716.DAT     MON 3/21/1994, 13:31

DISK 115257


Sector 28716:
"..............0*0*0*.........."....
       Insert 18A.....g.............g.........I now believe that Ms. Hanson an
d Mr. Altman consulted with me in.advance of the White House meeting on February
 2, 1994, that was.the subject of Mr. Altman's February 24 Senate testimony.  I
had.not previously recollected that discussion...
                 g her.as I do, I am satisfied that there was no intention of.con
cealing any information..(#.....
```

FILENAME: A:\XTRACT\28721.DAT MON 3/21/1994, 13:32

DISK 115257

```
Sector 28721:
8) Senator Alfonse D'Amato..that the RTC "is conducting a thorough review of the
 potential.civil claims it possesses as a result of the failure of madison".and
acknowledged the February 28 anniversary date of the federal.takeover of Madison
..........?.h...<.....Feb. 2    ...........White House meeting.(#............
?.....<.....Feb. 10   ...........Meeting with Senator Riegle.  Briefed him on.i
ssue..(#......JEAN E. HANSON..SUBJECT:      Conversation with Peter Knight.....
....x..Peter Knight had not had
```

```
FILENAME: A:\XTRACT\28795.DAT     MON 3/21/1994, 13:33

DISK 115257

Sector 28795:
                                         Insert 32A...........?.....<.....Q:..X.....x..Why di
d Ms. Hanson not interrupt Mr. Altman at the February.24 Senate Hearing and remi
nd him of the meetings last fall?.(#.............?.....<.....A:..X.....x..I hav
e not discussed this with Ms. Hanson, but knowing her.as I do, I am satisfied th
at there was no intention of.concealing any information..(#......."...0.........
..0*0*0*..........".....                                                  Insert
32B...........?.....<.....Q:..X.
```

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FILENAME: A:\XTRACT\28828.DAT     MON 3/21/1994, 13:34

DISK 115257


Sector 28828:
....x..Are you aware of any other meetings or conversations about.Madison Guaran
ty with the White House?.(#.............?....<.....A:..X.....x..I understand t
hat there was a fourth meeting February 3.which Mr. Altman attended but Ms. Hans
on did not.  [The.Secretary should consult with Mr. Altman on this meeting.] .[A
ny other conversations, to the Secretary's knowledge?].(#......."...............
0*0*0*.........."....                                                 Insert 18
A...I now believe that Ms. Hanso
```

```
FILENAME: A:\XTRACT\28845.DAT     MON 3/21/1994, 13:35

DISK 115257


Sector 28845:
n and Mr. Altman consulted with me in.advance of the White House meeting on Febr
uary 2, 1994, that was.the subject of Mr. Altman's February 24 Senate testimony.
  I had.not previously recollected that discussion...
                        ....".............0*0*0*.........".....................
...........g...j.....                                                   Insert 3
2C....g...j.......................?.X...<................MADISON/WHITEWATER:
  CONVERSATIONS...............?.
```

FILENAME: A:\XTRACT\28926.DAT MON 3/21/1994, 13:36

DISK 115257

```
Sector 28926:
on Guaranty situation?.(#............?.....<.....A:..X.....x..Mr. Altman and I
have had several brief conversations.relating to Madison Guaranty..(#..........
.?.....<......:X.....x....X.'.'....o..X........In late September, I believe, he
told me that.there was a possibility that criminal.referrals might be made by th
e RTC that could.receive press attention.  [Correct?].. .............?.....<....
...X.....x....X.'.'....o..X........Early this month he and Ms. Hanson.described
to me generally the process.the
```

FILENAME: A:\XTRACT\28927.DAT   MON 3/21/1994, 13:36

DISK 115257

```
Sector 28927:
RTC was undertaking in its review of.Madison Guaranty in light of the then.impen
ding February 28th date.  He also.told me that he had received.congressional inq
uiries suggesting that.he recuse himself from the decision. •He.said that he int
ended to recuse himself.and was going to talk with the White.House..x..........
...?..%..<.......X.....x....X.'.'....o..X.......Sometime after that, he told me
 that he.had decided that he would not recuse.himself..x......"....(..........0*
0*0*.....0....".....<.....Q:..X.
```

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FILENAME: A:\XTRACT\29026.DAT     MON 3/21/1994, 13:40

DISK 115257


Sector 29026:
.....X.....x..White House meeting.(#.............?.X...<...........Thursday, Feb
ruary 10, 1994................?.....<........X.....x..Meeting with Senator Riegl
e and staff.  ..$.b.2b.....  Briefed him on.issue.$....(#............B.........P
.....Z.....................4C000....[LastOpened]..fil......,>>...)........l.....
.X.......,...,...,.....................MEMORANDUM FOR DEPUTY SECRETARY ALTMAN..F
ROM:          JEAN E. HANSON..SUBJECT:       Conversation with Peter Knight.....
....x..Peter Knight had not had
```

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FILENAME: A:\XTRACT\29153.DAT     MON 3/21/1994, 13:43

DISK 115257


Sector 29153:
ntial............?.....<.....                                    ...Attorney Wor
k Product............?.....<.....                                  ...NOT FOR
DISTRIBUTION.............T............c.....<......."............   Madison Guar
anty  ...........c.....<............... Chronology ...................?.8...<.
....Sept. [27], 1993..'..........X.h.h......X.....@... Call from B. Roelle to J.
 Hanson.(#.....Sept. 29, 1993                 . Meeting w/ B. Nussbaum, J.
 .
```

```
FILENAME: A:\XTRACT\29154.DAT     MON 3/21/1994, 13:43

DISK 115257


Sector 29154:
  Hanson, C. Sloan in B. Nussbaum's .                                   office foll
owing WACO pre.brief..Oct. 6, 1993                      . J. Hanson call with B. Roe
lle     .                                regarding S. Schmidt Kansas City   .
                             attempted interviews..Oct. 14, 1993
. Meeting w/ B. Nussbaum, C.Sloan,.                                     [Mark] Gearan
, B. Lindsey, .                                  J. DeVore, J. Steiner and .
                          J. Han
```

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FILENAME: A:\XTRACT\29370.DAT     MON 3/21/1994, 13:48

DISK 115257


Sector 29370:
House on an unrelated matter.  I.told him that I understood that there might be
press inquiries.concerning a possible criminal referral out of the RTC relating.
to Madison Guaranty [and that I understood that the President and.the First Lady
 were mentioned as possible witnesses.]..Q:  Why did you have that conversation?
..A:  I told him that on a confidential basis, lawyer to lawyer and.as a courtes
y.  I believed that, if there were a press inquiry,.the press office would come
to him and he would need to be a
```

FILENAME: A:\XTRACT\29323.DAT MON 3/21/1994, 13:46

DISK 115257

Sector 29323:

ble.to respond. This was not a completely new issue. I recalled.that there was a New York Times article relating to Madison.Guaranty that had appeared during the campaign and I assumed that.he would want to refamiliarize himself with the background of.Madison Guaranty before he was hit out of the blue with question.on it. (It was what I would expect another lawyer would do for.me if I were going to be placed in the situation of responding to.a press inquiry that required some background work.)..Q: Was a

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FILENAME: A:\XTRACT\29420.DAT     MON 3/21/1994, 13:48

DISK 115257


Sector 29420:
nyone else present?..A:  I believe that Cliff Sloan, another White House attorne
y, was.there.  This was a lawyer.to.lawyer conversation...Q:  What else did you
tell him?..A:  I don't recall that I told him anything else...Q:  Wasn't it unus
ual to tell the White House about criminal.referrals?..A:  It is not unusual to
apprise another counsel on a.confidential basis of an issue that may come before
 them on a.press inquiry.  The issue related to possible press inquiries...Q:  I
sn't it against the law, or at l
```

```
FILENAME: A:\XTRACT\29421.DAT     MON 3/21/1994, 13:49

DISK 115257

Sector 29421:
east policy, to "tip".someone on a criminal referral?..A:  No.  It was not a vio
lation of law or policy.  This was not a.public disclosure of possible criminal
referral.  It was a.confidential conversation, lawyer to lawyer, intended to sim
ply.apprise a lawyer of an issue that he might have to deal with.  ..Q:  Are you
 saying that lawyers can have conversations that other.people cannot?  That lawy
ers can talk about things that other.people are not permitted to talk about?..".
..h)..........0*0*0*.....1....".
```

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FILENAME: A:\XTRACT\29422.DAT     MON 3/21/1994, 13:49

DISK 115257


Sector 29422:
........b.2b....***.....A:  This was a conversation in which both lawyers were b
ound by.lawyer rules, lawyer.client confidentially, intended only to put.Mr. Nus
sbaum on notice that there was an issue that he might be.called upon to address
in terms of press inquiry so that he could.do the background work to prepare for
 it.  ..Q:  But didn't you expect him to tell others?  In fact, didn't.you expec
t that he would tell others in the White House?..A:  I didn't expect him to do t
hat.  I expected that he would u
```

```
FILENAME: A:\XTRACT\29423.DAT     MON 3/21/1994, 13:49

DISK 115257


Sector 29423:
se.the information to prepare himself for an inquiry...Q:  Who in Treasury or th
e RTC knew that you had this.conversation?..A:  I don't recall that I .told anyon
e of the conversation...Q:  Did you tell Mr. Altman?..A:  No...Q:  Did anyone as
k you to have this conversation?..A:  No...Q:  Did you have any further conversa
tions with anyone from the.White House on this matter?..A:  I attended a meeting
 with several people on October 14 to.discuss a press inquiry and procedures to
handle press inquiries.on Madiso
```

```
FILENAME: A:\XTRACT\29624.DAT     MON 3/21/1994, 13:50

DISK 115257


Sector 29624:
endence of the RTC...Mr. Altman, have you attempted to influence the RTC's revie
w of the ....V.p.....Madisio........V.p.......Madison....V.p...........V.p.....n
.... Guaranty.matter or the outcome of its decision?..No...........Y.e...-......
.....b.....Why did the Treasury General Counsel accompany you and not the RTC Ge
neral Counsel...?...We discussed only the broad procedural framework of the stat
ute of limitations issue and the.presence of the RTC General Counsel was not nec
essary.  No specifics were, or w
```

```
FILENAME: A:\XTRACT\29656.DAT     MON 3/21/1994, 13:50

DISK 115257


Sector 29656:
pects the independence of the RTC...Mr. Altman, have you attempted to influence
the RTC's review of the Madison Guaranty.matter or the outcome of its decision?.
.No...........Y.e...-...........b.....Why did the Treasury General Counsel accom
pany you and not the RTC General Counsel...?...We discussed only the broad proce
dural framework of the statute of limitations issue and the.presence of the RTC
General Counsel was not necessary.  No specifics were, or were.intended to be, d
iscussed. ...."...............0*
```

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FILENAME: A:\XTRACT\29682.DAT      MON 3/21/1994, 13:52

DISK 115257


Sector 29682:
 As certain Treasury and RTC officers will attest, I took.the position that norm
al  procedures should be followed.  If such a decision on referral was.typically
 made at the regional office level, my view was that it should be made that way
in.this matter....."..............0*0*0*....7....."............Y....-........
..........#..X.w.......... P....7....[AX.P#...What Conversations Have You Had w
ith the White House on this Matter?.......I've had one substantive conversation.
  Approximately three weeks ago,
FILENAME: A:\XTRACT\29683.DAT     MON 3/21/1994, 13:52

DISK 115257


Sector 29683:
 Jean Hanson.(Treasury General Counsel) and I requested a meeting with Mr. Nussb
aum, White House.Counsel.  ..The purpose of the meeting was to describe the proc
edural reasons for the then impending.February 28 deadline.  That was:  due to t
he enactment of the Completion Act,  the statute.of limitations was retroactivel
y reinstated for certain types of civil claims (those relating to.fraud and cert
ain claims relating to intentional misconduct); the extended statute of.limitati
ons, as it related to Madison Gu
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FILENAME: A:\XTRACT\29685.DAT     MON 3/21/1994, 13:52

DISK 115257


Sector 29685:
said that I was reserving judgment on a recusal.  ..We were only asked one quest
ion.  Did we intend to provide the same briefing on the RTC's.processes to attor
neys for the parties at interest.  I said that I assumed so but would check.with
 the RTC General Counsel...Jean Hanson did check and was told "in due course"  "
I said fine".....".............0*0*0*.........."...........Y.....-..........
......Why did you brief the White House on those processes?...........Y.....-..
......A...X.....x..Solely to ens
```

```
FILENAME: A:\XTRACT\29686.DAT     MON 3/21/1994, 13:52

DISK 115257


Sector 29686:
ure that they understood the legal, procedural, framework within which.the RTC w
as working.  (If you recall, at that time the February 28 date was the.........Y
.....-.....subject of ...major... attention in the Congress and the press.)  It
is not uncommon for.meetings of this type to take place.  The meeting could have
 taken place between the.lawyers, this was simply a legal briefing with a larger
 audience..(#.............Y.1...-.................Who else attended that meeting
?......Mr. Ickes, Ms. Williams a
```

```
FILENAME: A:\XTRACT\29687.DAT     MON 3/21/1994, 13:52

DISK 115257


Sector 29687:
nd one of  Mr. Nussbaum's assistants.....V.p....................Y....-.......A
.........Were there any other conversations at all......The only other discussio
n .. which lasted about five minutes .. occurred later when indicated.that I was
 not inclined towards a recusal...........Y.K...-................Has the White
House attempted to influence your decision on these matters...?...No.  It is und
erstood that the RTC must complete the task that it has been given and, of.cours
e, the White House respects the
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FILENAME: A:\XTRACT\29688.DAT     MON 3/21/1994, 13:52

DISK 115257


Sector 29688:
independence of the RTC...Mr. Altman, have you attempted to influence the RTC's
review of the Madison Guaranty.matter or the outcome of its decision?..No.......
....Y.e...-...........b.....Why did the Treasury General Counsel accompany you a
nd not the RTC General Counsel...?...We discussed only the broad procedural fram
ework of the statute of limitations issue and the.presence of the RTC General Co
unsel was not necessary.  No specifics were, or were.intended to be, discussed.
...."...............0*0*0*......
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FILENAME: A:\XTRACT\40109.DAT     MON 3/21/1994, 14:04

DISK 115257


Sector 40109:
................................................................................
..................d.............d.................t.......
                   ......DRAFT.........
12/21/93.                                    ...Privileged and Confidential....
                                   ...Attorney Work Product....
                   ...NOT FOR DISTRIBUTION.............*............c.........".
............  Madison Guaranty
```

```
FILENAME: A:\XTRACT\40110.DAT     MON 3/21/1994, 14:04

DISK 115257

Sector 40110:
............c.............#... Chronology ...........Sept. [27], 1993..'.......
...X.h.h.#....X.....(... Call from B. Roelle to J. Hanson.(#.....Sept. 29, 1993
               . Meeting w/ B. Nussbaum, J.        .
   Hanson, C. Sloan in B. Nussbaum's .                          office fo
llowing WACO pre.brief..Oct. 6, 1993              . J. Hanson call with B. R
oelle     .                          regarding S. Schmidt Kansas City  .
                            at
```

```
FILENAME: A:\XTRACT\40111.DAT     MON 3/21/1994, 14:04

DISK 115257


Sector 40111:
tempted interviews..Oct. 14, 1993                    . Meeting w/ B. Nussbaum, C.Sl
oan,.      .                              [Mark] Gearan, B. Lindsey, .
                    J. DeVore, J. Steiner and .                              J. H
anson ..Dec. 9, 1993              . Letter from Congressman Jim Leach .
                                to Roger Altman requesting          .
                information on Madison Guaranty...                               .
                                                ...
```

```
FILENAME: A:\XTRACT\40147.DAT     MON 3/21/1994, 14:04

DISK 115257


Sector 40147:
ented...interviews..Oct. 14, 1993                 . Meeting w/ B. Nussbaum, C.Sl
oan,.                                 [Mark] Gearan, B. Lindsey, .
                 J. DeVore, J. Steiner and .                                 J. H
anson ..Dec. 9, 1993                  . Letter from Congressman Jim Leach .
                           to Roger Altman requesting        .
              information on Madison Guaranty...                               .
                             ...
```

```
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FILE - "A:INSERTS.JEH"

.WPC_............2..........B.........P.....Z...............Courier 10c
pi..#|.x....................x...6.X......@...8..;.X.@.......................
...........HP LaserJet III (Additional).onal)...HPLAIIAD.PRS...x...........@.
.......,...\.,..d...X.@...............2..........<.....#...L.....Z...o.......
......#|.x...........Courier 10cpi.Courier 10cpi (Bold).HP LaserJet III (Addit
ional).onal)...HPLAIIAD.PRS...x............@.........,...\.,..d...X.@.........
....2.......X.........F...`.........]..................?.x.x.x.,.......^..x..
.6.X......@...8..;.X.@.................................\.....?.x.x.x.,.....
.....x.... ......`...B..;.X............................................C...
..4..........J.....T.....Z...........i.................#.....p..............
........m.......................z...........................................
..c.........................
  Insert 32A...........?.....<.....Q:..X.....x..Why did Ms. Hanson not interru
pt Mr. Altman at the February.24 Senate Hearing and remind him of the meetings
 last fall?.(#.............?.....<.....A:..X.....x..I have not discussed this
 with Ms. Hanson, but knowing her.as I do, I am satisfied that there was no in
tention of.concealing any information..(#......."...0...........0*0*0*........
.."....                                                  Insert 32B..........
?.....<.....Q:..X.....x..Are you aware of any other meetings or conversations
about.Madison Guaranty with the White House?.(#.............?.....<.....A:..X
.....x..I understand that there was a fourth meeting February 3.which Mr. Altm
an attended but Ms. Hanson did not.  [The.Secretary should consult with Mr. Al
tman on this meeting.] .[Any other conversations, to the Secretary's knowledge
?].(#......."...............0*0*0*.........."....
                      Insert 18A...I now believe that Ms. Hanson and Mr. Altman
 consulted with me in.advance of the White House meeting on February 2, 1994,
that was.the subject of Mr. Altman's February 24 Senate testimony.  I had.not
previously recollected that discussion...
          ...."..............0*0*0*.........."..............................
                                                    Insert 32C...........?. ...
<......................Q:..X.....x..What conversations have you had with Depu
ty Secretary Altman.on Madison Guaranty situation?.(#............?.....<.....
A:..X.....x..Mr. Altman and I have had several brief conversations.relating to
 Madison Guaranty..(#...........?.....<.......X.....x....X.`.`....o..X.......
.In late September, I believe, he told me that.there was a possibility that cr
iminal.referrals might be made by the RTC that could.receive press attention.
 [Correct?].. .............?.....<.......X.....x....X.`.`....o..X........Early
 this month he and Ms. Hanson.described to me generally the process.the RTC wa
s undertaking in its review of.Madison Guaranty in light of the then.impending
 February 28th date.  He also.told me that he had received.congressional inqui
ries suggesting that.he recuse himself from the decision.  He.said that he int
ended to recuse himself.and was going to talk with the White.House..x.........
.....?..%..<.......X.....x....X.`.`....o..X........Sometime after that, he tol
d me that he.had decided that he would not recuse.himself..x......."....(......
....0*0*0*.....0...."......

Program finished...
.........T."...................x.............................x................
...x.....................x.P.P.......................................x.P...x..
.x...x...........x.P.x...k.x............................................s.....
..............................................................................
...............f..............................................................
..............................................................................
..............................................................................
.......x...................................x...............x..................
..............................................................................
.............................................P.............P.............P......
..............................................................................
.......................................................k...]...k...k...k.].C..
.k...........k...x...k.......x...x...x...k...k.......................].x......
...k...............P.P.x.x.x...x..............................................
..............................................................................
.............x.x.x............................................................
...................................P.........x.k.P.)...x.x.x.x.x.x.x.x.x.x.x.x
.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.x.....2..............
.................................................
   Preliminary Draft.                                  For Discussion Purposes.
                               Only                       .  ..
                    02/10/94..........x..In response to a question whether ther
e was a.conversation between Roger Altman and the White House asking.that the
RTC General Counsel contact David Kendall, counsel.to the President, on the RT
C statute of limitations issue:.........?.....<.....o..X.....x..Such a conver
sation did take place...!............?.....<.....o..X.....x..The issue was ra
ised in light of the upcoming February.28 deadline and in recognition of the f
act that David.Kendall, and not the White House, was the appropriate.contact f
or discussion regarding the statute of.limitations issue...!............?.0..
.<.....o..X.....x..Mr. Altman asked the Treasury General Counsel to.contact th
e RTC General Counsel and discuss contacting.Mr. Kendall...!............?.P..
.<.....o..X.....x..The Treasury General Counsel did contact the RTC.General Co
unsel...!..............?.....<.....o..X.....x..The RTC General Counsel stated t
hat the parties or.their counsel, to the extent counsel was known, would.be co
ntacted at the appropriate time...!............?.....<.....o..X.....x..This i
nformation was communicated to Mr. Altman by the.RTC General Counsel...!......
.......?. ...<.....o..X.....x..To date, to Mr. Altman's knowledge, no counsel
has been.contacted.  It is acknowledged by all that, if and when.it is appropr
iate to contact anyone with respect to.statute of limitations issues involving
 the President.or Mrs. Clinton, Mr. Kendall is the correct contact...!.......
......?..!..<...........x.....'.'.........................h.h...........@..
.......h............?.(#..<.....Q:..X.....x..Why was Mr. Altman asked to have
 the RTC contact Mr..Kendall?  Why wasn't Mr. Kendall asked to contact the.RTC
?  Wouldn't that be more customary?  Wasn't the RTC.being asked to do somethin
g unusual?..!............?..'..<.....A:..X.....x..Mr. Kendall could have been
 asked to contact the RTC ..he may have been . I do not know.  In answer to th
e.question whether the RTC was being asked to do.something unusual, the RTC wa
s only asked to contact.."...h)..........0*0*0*.....1...."....the appropriate
person.  To our knowledge, the RTC has.done nothing unusual in its handling of
 this matter...!............?.X...<.....Q:..X.....x..Doesn't the fact that Mr
. Altman was asked by White.House staff to intercede on behalf of the Presiden
t.indicate that the White House is exerting pressure on.the RTC to resolve thi
s issue favorably for the.President?..!............?.....<.....A:..X.....x..T
he only thing that the conversation evidences is a.recognition that any issues
 involving the President.should be handled directly between the RTC and the.Pr
esident's outside attorney, and not with the White.House.  If anything, it rec
ognizes that decisions.relating to Madison Guaranty should be handled by ....J
.VQ......those.....J.VQ......hired to deal with these issues, i.e., the outsid
e.counsel hired by the President .. and not by the White.House staff...!......
.......?.....<.....Q:..X.....x..Have there been other discussions between Mr.
```

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Altman.and White House staff on these matters?..!............?.0...<.....A:..
X.....x..There have been discussions relating to procedural.issues and communi
cations .. only.  Mr. Altman has.received several letters from Congressmen foc
using on.the impending RTC deadline related to claims involving.Madison Guaran
ty.  In addition, the impending deadline.has received extensive press coverage
.  The RTC has not.completed its investigation with respect to possible.claims
 involving Madison Guaranty.  Mr. Altman has not.been advised of any conclusio
ns reached, preliminary or.otherwise, by the RTC on any matters relating to.po
ssible claims involving Madison Guaranty nor has he.been briefed generally or
in detail on th....J.VQ......e....J.VQ...... substance .of the RTC's review...
!............?. ...<.....Q:..X.....x..How can Mr. Altman, a longstanding frie
nd of the.President, possibly remain independent and fairly make.a decision on
 whether a claim against the President.exists?  Isn't it to be expected that M
r. Altman's.decision will be favorable to the President?..!............?.. ..
<.....A:..X.....x..Mr. Altman has asked the appropriate ethics officials.of both
ethics and legal issues relating to his involvement, as.Interim CEO of the RTC
, in the upcoming RTC decision.making process.  Mr. Altman is a man of great p
ersonal.integrity.  He recognizes that this question needs to.be thoroughly ex
amined and resolved prior to any action.by him.  [If pressed:  Representative
Leach, himself,.has stated that this situation does not reflect on Mr..Altman'
s personal integrity.]..!...

Program finished...
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FILE - "A:KNIGHT.RTC"

.WPC_..............2...........B.........P.....Z.................Courier 10c
pi..#|.x................^..x...6.X......@...8..;.X.@........................
...........HP LaserJet III (Additional).onal)...HPLAIIAD.PRS...x...........@.
........,...\.,..G.sxX.@.............2..........<.....Z...L..............#..
......#|.x..........HP LaserJet III (Additional).onal)...HPLAIIAD.PRS...x....
........@..........,...\.,..G.sxX.@..........Courier 10cpi.Courier 10cpi (Bold).
....2.......X........F...'.........]..................?.x.x.x.,.......^..x..
.6.X......@...8..;.X.@...............................\.....?.x.x.x.,.....
.....x.... ......'...B..;.X...........................................?.
x.x.x.,..WPC.O..............2...........B.........P.....Z...................
4C000....[LastOpened]..fil......,>>...).......1......X......,...,...,.......
..............MEMORANDUM FOR DEPUTY SECRETARY ALTMAN..FROM:          JEAN E. H
ANSON..SUBJECT:       Conversation with Peter Knight.........x..Peter Knight h
ad not had an opportunity to prepare a.chronology of RTC contacts with Senator
 D'Amato's staff. .However, he gave me the following information which I am as
king.him to confirm..........?....<..........Monday, January 24, 1994......
..........?.0...<........X.....x..Peter Knight was contacted by Senator D'Amat
o's staff to.discuss the Madison Guaranty situation.  A meeting was.requested
with the heads of PLS and investigations; that was.declined.  This was the fir
st contact from D'Amato's staff.on Madison Guaranty..(#............?.....<...
.....X.....x..Later that day, Jack Ryan and Peter Knight met with Senator.D'Am
ato's staff as requested..(#............?.8...<...........x.......'.'....D'Am
ato's staff present were:  Howard Munnell, staff.director; Ray Natter, general
 counsel; and Doug Nappi..(#'...........?.....<...........x.......'.'....The
discussion focused on document production, ...i.e....,.what the RTC believed c
ould and could not be provided..(#'...........?.....<...........x.......'.'..
..There were also a discussion of the statute of.limitations on Madison Guaran
ty and when it was.expected to expire.  Ray Natter suggested that the.statute
of limitations would not expire until August.1994.  He was told the RTC would
look into that and.discuss it further with him..(#'........h................
..........?..".................Later that week (Wednesday . Friday, Januar
y........... 26.28)................?.T$..<........X.....x..Peter Knight held
a conference call with Mark Gabrellian of.the RTC legal staff and Ray Natter t
o discuss the expiration.of the statute of limitations.  After discussing the
legal.issues, Mr. Natter agreed that the statute of limitation on.Madison Guar
anty would expire prior to August.  The exact.date of the expiration had a thr
ee day time span (2/28 ..3/2) because of historical actions in connection with
..".....).........0*0*0*....81...."....Madison Guaranty's takeover.  February
28 was the most.conservative date (and therefore most cautious, from the.RTC's
 point of view)..(#............?. ...<..........Later that week (Wednesday .
 Friday, January 26.28) or the..............?.....<..........following Monda
y, January 31................?.x...<........X.....x..Peter Knight, Jack Benkl
ey and Casey Carter met with Senator.D'Amato's staff to discuss the general pr
ocess of document.production..(#.........."...............0*0*0*.........."..
.............?.X...<..........Monday, January 24, 1994...............?.....<
........X.....x..Briefed D'Amato staff on document production and generally.di
scussed statute of limitations issue..(#............?.@...<............b.2b..
...........b.2b.....Later in the week (January 26 . 28).......b.2b..........
..b.2b..........b.2b..............?....<.........b.2b........X.....x......
b.2b......Conference call on statute of limitations issue with.D'Amato's staff
.  Agreed on February 28 date (with 3 day."window")..(#............?.....<...
........Tuesday, February 1, 1994...............?.....<.........X.....x..Roger
 Altman letter to:  .(#.......X.....x..1) Senator Robert Dole .(#....     2) C
ongresswoman Jan Meyers .     3) Congressman William Clinger, Jr., .     4) Co
ngressman Larry Pressler .     5) Congressman James Leach .     6) Congressman
 Hamilton Fish, Jr. .     7) Congressman Bob Michel; and .     8) Senator Alfo
```

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nse D'Amato..stating that the RTC "is conducting a thorough review of the.pote
ntial civil claims it possesses as a result of the failure of.Madison" and ack
nowledging the February 28 anniversary date of.the federal takeover of Madison
...........?.....<...........Wednesday, February 2, 1994................?.....
<........X.....x..White House meeting.(#.............?. ...<...........Thursda
y, February 10, 1994................?.....<........X.....x..Meeting with Senat
or Riegle....b.2b.... and staff.....  .(#......

Program finished...
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FILE - "A:MADISON.RTC"

.WPCH...............2...........B.........P.....Z.................Courier 10c
pi..#|.x................^..x...6.X......@...8..;.X.@........................
...........HP LaserJet III (Additional).onal)...HPLAIIAD.PRS...x............@.
.......,...\.,..G.sxX.@..............2..........<.........L.....V...Z.....Z..
......#|.x..........Courier 10cpi.......?.x.x.x.,.........x...6.X......@...8
..;.X.@...............................HP LaserJet III (Additional).onal).
..HPLAIIAD.PRS...x............@.......,...\.,..G.sxX.@....2..........<.....F
...`........F...............................?.....<........Madison/Whitewa
ter:  Conversations with White House..............?. ...<.....Q...X.....x..Mr.
 Altman, have you or any of the Treasury officials held.any conversations with
 the White House concerning this.matter?.(#............?.@...<.....A...X.....
x..I have had one meeting with White House staff on this.matter.  Jean Hanson,
 General Counsel of the Treasury, and I.met earlier this month with Bernard Nu
ssbaum, White House.Counsel, one of his assistants, [Mac McLarty], Harold Icke
s,.and Margaret Williams..(#...........x..The purpose of the meeting was to de
scribe the procedural.reasons for the then impending February 28 deadline.  Th
at was: .due to the enactment of the Completion Act, the statute of.limitation
s was retroactively reinstated for certain types of.civil claims (those relati
ng to fraud and certain claims relating.to intentional misconduct); the extend
ed statute of limitations,.as it related to Madison Guaranty, would expire the
 end of.February; and the RTC was in the process of determining whether.any cl
aims existed under the extended statute of limitations. .Finally, if it were d
etermined that any such claims existed, the.RTC would have to determine whethe
r to seek a tolling agreement.or commence litigation.........x..I told them th
at it was my understanding that the RTC's.review was on.going and that, as far
 as I was aware, the RTC had.reached no conclusions.  I also told them that an
y decision would.be made with complete impartiality. [and that I fully expecte
d to.follow the recommendation of the RTC General Counsel on these.matters]...
......x..It was agreed that any discussions by the RTC on matters.that might i
n any way affect the President or Mrs. Clinton should.take place with David Ke
ndall, and not with White House staff...........?.....<.....Q...X.....x..Mr. A
ltman, since that time, have you had further.discussions with the White House
on matters relating to.Madison Guaranty or Whitewater?.(#.....A............?.
.#..<.....Q...X.....x..Mr. Altman, has the White House attempted to influence
your.decision on these matters in any way?.(#............?.H&..<.....A...X...
..x..No.  It is understood that the RTC must complete the task.that it has bee
n given and, of course, the White House.respects the independence of the RTC..
(#............?.h)..<.....Q...X.....x..Mr. Altman, have you attempted to infl
uence the RTC's review.."...h).........0*0*0*.....1...."....of the Madison Gu
aranty matter or the outcome of its.decision?.(#............?.X...<.....A...X
.....x..No..(#............?.....<.....Q...X.....x..Mr. Altman, why did you me
et with White House staff on the.Madison Guaranty matter?.(#............?.@..
.<.....A...X.....x..Solely to ensure that they understood the legal, procedura
l.framework within which the RTC was working. (If you recall,.........?.....<.
....at that time the February 28 date was the subject of ...major....attention
 in the Congress and the press.)  It is not.uncommon for meetings of this type
 to take place.  The.meeting could have taken place between the lawyers, this
was.simply a legal briefing with a larger audience..(#............?.....<....
.A...X.....x..Why did the Treasury General Counsel accompany you and not.the R
TC General Counsel?.(#............?.....<.....A...X.....x..The presence of th
e RTC General Counsel was not necessary.for the discussion.  We were discussin
g only the broad.procedural framework of the statute of limitations issue. .We
 were not discussing any specifics.  The Treasury General.Counsel understands
the broad issues and has not been.involved at all in the review process.  She
was there to.present the broad legal framework but could not have.answered que
stions on specifics even if she had been asked,.which she was not..(#........"
...p...........0*0*0*.... ....."..............?.....<........Cravath Bill.....
........?. ...<.....Q...X.....x..I understand that [a mega.amount] has been pa
id to the law.firm of Cravath, Swaine & Moore by the RTC.  This results in.som
e lawyers receiving in excess of $600 an hour.  How can.that possibly be justi
fied?.(#............?.....<.....A...X.....x..First, the payments were made un
der a pre.existing agreement.between the FDIC and Cravath.  Second, the amount
s paid were.based on the firm obtaining specified levels of results,.i.e., rec
overies by the RTC for the taxpayers.  These.payments related to settlements i
n connection with the.Drexel Burnham matter and Michael Milken.  I believe in.
adhering to written agreements.  The amounts were owed, and.they were paid.  [Fr
ery, although some of the per hour charges may.appear excessive, I believe tha
t the RTC and the tax payers.received a fair deal here.].(#............?.....<
......."..............0*0*0*.........."...........?.....<........Madison Gua
ranty/Whitewater...........?.....<...............?.X...<.....Q...X.....x..Why
 were you not involved in making the decision on whether.criminal referrals sh
ould be made in Madison Guaranty, but.you intend to be involved in decisions r
egarding whether.civil actions will be commenced?.(#............?.@...<.....A
...X.....x..Those are apples and oranges.  Criminal referrals are not.the equi
valent of prosecutable cases.  RTC is required to.report suspected criminal ac
tivity to the Justice.Department.  It is then up to the Justice Department to.
investigate and reach its own conclusion on whether the.suspicion of criminal
activity is sufficient to warrant.prosecution.  Civil actions, on the other ha
nd, involve the.decision to take action directly against on individual or.enti
ty by the RTC.  Certainly in the private sector, in my.experience, it would be
 unusual for a CEO not to be at least.briefed and allowed questions before a s
ignificant.litigation were commenced in the name of the corporation..(#.......
"...h...........0*0*0*.........."..............?.....<........PLS............
?. ...<.....Q...X.....x..Mr. Altman, you stated that the GAO, in investigating
.charges that the PLS program had been weakened by political.influence and man
agement efforts to undermine its.effectiveness, found no evidence that such fo
rces were at.work.  Isn't it correct that the GAO looked only at Atlanta.and D
enver, and, consequently, no such general conclusion.can be drawn?.(#.........
....?.`...<.....A...X.....x..We asked this specific question to the GAO and we
re told.that their report was, and was intended to be, national in.scope, and
not limited simply to those field offices they.visited (which included Dallas
as well as Atlanta and.Denver).  Therefore, we accept their conclusions.

Program finished...
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FILE - "A:ROSE.LAW"

.WPCN...............2...........B....V...P....Z.................Courier 10c
pi.......?.x.x.x.,.......w..x...6.X......@...8..;.X.@.........................
...........HP LaserJet III (Additional).........HPLAIIAD.PRS...x............@.
.......,...\.,..b.I.X.@..............2........·..<.........L..................
......#|.x.........................!..September 30, 1993....MEMORANDUM FOR R
OGER C. ALTMAN.                DEPUTY SECRETARY..FROM:          JEAN E. HANSON.
.SUBJECT:..'.'....     The Rose Law Firm.............Steve Katsanos has talked
 with Sue Schmidt (See attached RTC.Early Bird)............I have spoken with
the Secretary and also with Bernie.Nussbaum and Cliff Sloan............I have
asked Bill Roelle to keep me informed.  Is there.anything else you think we sh
ould be doing?......Attachment.

Program finished...
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FILE - "A:45.BEN"

.WPC_...............2............B.........P.....Z.................Courier 10c
pi..#|.x................^..x...6.X......@...8..;.X.@.........................
...........HP LaserJet III (Additional).........HPLAIIAD.PRS...x............@.
........,...\.,..b.I.X.@..............2..........<.....Z...L..............#..
......#|.x...........HP LaserJet III (Additional).........HPLAIIAD.PRS...x....
........@........,...\.,..b.I.X.@..........Courier 10cpi.Courier 10cpi (Bold).
....2.......X.........F...`........]..................?.x.x.x.,.......^..x..
.6.X......@...8..;.X.@....................................?.x.x.x.,.....
.....x.... ......`...B..;.X........................................_r..[.
O..........u...S.<.u......b&..v..I.!......b....H.!S.H.![&.v..,b..%..u...%.....
.%.....r.&..v...;.r...;.r.+.....s.&.v.&.h...b....+.S.....[..t....=..v.%...>b..
...b.........h...#..January 7, 1994.......The Honorable Jamie Gorelick.Genera
l Counsel.Department of Defense.1600 Defense.Pentagon.Washington, D.C.  20301.
1600...Dear Jamie:...........My thanks to you and Colonel Dennis Corrigan for
your quick.assistance on the Army regulations.  I hope we can someday return.t
he favor...........Colonel Corrigan had indicated that a copy of Army.Regulat
ion 7.20 would be obtainable.  Although we do not need a.copy urgently, we wou
ld like to have one for our files.  If a.copy could be located and sent to me,
 we would be most.appreciative............Best regards................`.`.....
..................h.h.#........(........-..Sincerely,................`.`.....
..................h.h.#........(........-..Jean E. Hanson....... ..........0
*0*0*.................h...#..January 7, 1994............?.......
                                    ......INFORMATION.........MEMORANDUM FOR S
ECRETARY BENTSEN..FROM:          JEAN E. HANSON..SUBJECT:       Miscellaneous
Matters.............Following up on our conversation yesterday, I am passing.o
nto you some information I have received...........?...............1.  .....
.Army Regulations.......  I am told by the Department of.Defense that during t
he 1940s, an Army regulation permitted.servicemen to purchase their firearms a
t salvage cost for.sentimental reasons.  We are obtaining a copy of the regula
tion. .The guess is that, in all likelihood, the cost was paid through a.deduc
tion from final paychecks.  In any event, your possession of.your .45 is consi
stent with the regulations that were in effect.at the time...........?........
........2.  ......Registrations.......  Your recollection was correct. .Posses
sion of handguns in the District of Columbia was.grandfathered in 1973 for han
dguns that were then held and.registered.  ..........Out of an abundance of c
aution, I suggest that we double.check all the registrations that you hold sin
ce this is a.question that may very well arise...........?..!.......* * *....
.........?.(#.................Tax Court.......  On an unrelated note, I woul
d like to make sure.that before you leave I have an opportunity to talk with y
ou.about the Tax Court vacancy and Maurice Foley so that I.understand your vie
ws.  I understand from Ed Knight that you.wanted to weigh in on this before yo
u left.  That's great because.we hope to have completed interviewing by the ti
me you return...........I am in on Monday and Tuesday, or you can call me at
home.over the weekend if you prefer (202.966.8718).......h)..........0*0*0*...
.................h...#..January 7, 1994......MEMORANDUM FOR DEPUTY SECRETARY A
LTMAN..FROM:          JEAN E. HANSON..SUBJECT:        Madison Guaranty........
....I find the attached very troubling.  I do not understand why.no lawyer fro
m White House Counsel is on the new "team".  The.coordination between the Whit
e House and Justice on these issues.by definition raises legal issues that mus
t be addressed.  The.team needs legal advice from competent lawyers with damag
e.control experience.  However, it appears that the people are not.even talkin
g to each other.  Presumably, talking with each other.would decrease the likel
ihood that the senior people would blame.each other in the press...........I
give you my views for what they are worth because I don't.know to whom else I
should give them.  Continuing press reports.like this one, in my view, will be
 damaging and should be able to.be remedied.
```

```
FILENAME: A:\XTRACT\102614.DAT     TUE 3/22/1994, 08:53

DISK 118730


Sector 102614:
w......r.▒.(.w......:3?.../........................................MEMORANDUM FO
R SENIOR OFFICIALS AND BUREAU HEADS.........?.....<.....FROM:..'.'..............
Lloyd Bentsen..........?.x...<.....SUBJECT:..'.'................Procedure for Ma
tters Related to Madison Guaranty .....Except as provided below, before initiati
ng any contact with or.responding to any contact from anyone outside of the Depa
rtment.regarding Madison Guaranty Savings & Loan, Whitewater Development.or any
matters within the scope of the
```

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FILENAME: A:\XTRACT\102615.DAT     TUE 3/22/1994, 08:53

DISK 118730


Sector 102615:
attached subpoena,.Treasury.Department employees, including employees of the.Dep
artment's bureaus, must obtain the approval of Edward Knight,.Executive Secretar
y and Senior Adviser to the Secretary.  Mr..Knight will consult with the Departm
ent's ethics officials, and,.as appropriate, with other officials of the Departm
ent, the........................................................................
.........A:\CONTACTS.MEM........................................................
..........+_$.....+..........6..
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FILENAME: A:\XTRACT\104963.DAT     TUE 3/22/1994, 08:53

DISK 118730

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Sector 104963:
..........................................C:\WPWIN\WP}WP{TD.1\WP}WP{PJ.1.K......
......................2..................................................MEMORAN
DUM FOR SENIOR OFFICIALS AND BUREAU HEADS..........?.....<.....FROM:..'.'.......
......Lloyd Bentsen...........?.x...<.....SUBJECT:..'.'................Procedure
for Matters Related to Madison Guaranty .....I am setting up a process of notifi
cation and clearance for any.Treasury contact with White House staff or staff of
 the.Resolution Trust Corporatio
```

```
FILENAME: A:\XTRACT\104964.DAT     TUE 3/22/1994, 08:53

DISK 118730


Sector 104964:
n regarding Madison Guaranty Savings &.Loan, Whitewater Development or any matte
rs within the scope of.the attached subpoena.  This procedure will apply whether
 those.contacts are initiated within Treasury or outside it. .Notification of an
y such contact is to be given to Edward Knight,.Executive Secretary and Senior A
dviser to the Secretary.  Mr..Knight will consult with the Department's ethics o
fficials, and,.as appropriate, with other officials of the Department, the.Offic
e of Government Ethics, the Offi
```

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FILENAME: A:\XTRACT\104965.DAT     TUE 3/22/1994, 08:53

DISK 118730


Sector 104965:
ce of Inspector General and.independent counsel Fiske's office, and will clear t
he contact or.not, as appropriate.PMESSAGEBOX2..................................
................................................................................
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................................................................................
................................
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FILENAME: A:\XTRACT\105281.DAT TUE 3/22/1994, 08:53

DISK 118730

```
Sector 105281:
 the approval of Edward.Knight, Executive Secretary and Senior Adviser to the Se
cretary. .Mr. Knight will consult with the Department's ethics officials,.and, a
s appropriate, with other officials of the Department, the.Office of Government
Ethics, the Office of Inspector General and.independent counsel Fiske's office,
and will clear the contact or.not, as appropriate.  The requirement of obtaining
 prior approval.from Mr. Knight does not a........?.....<...................MBu
llet List.......X.....x........X
```

```
FILENAME: A:\XTRACT\105282.DAT     TUE 3/22/1994, 08:53

DISK 118730


Sector 105282:
.‘.‘.............routine law enforcement contacts, including inquiries..........
.and referrals, by Treasury’s law enforcement....................or.."..........
........0Bullet List."....(#‘.....................?.....<....................MBu
llet List.......X....x........X.‘.‘..................g..#%...that are ....contac
ts between staff of the Office of Thrift.Supervision and staff of the Resolution
 Trust.Corporation concerning routine regulatory matters. .."..................0
Bullet List."....(#‘...........
FILENAME: A:\XTRACT\105699.DAT     TUE 3/22/1994, 08:53

DISK 118730


Sector 105699:
urier 10cpi (Italic).....2.......X.........5...q.....F...`........._.........?.x
.x.x.,.......^..x...6.X......@...8..;.X.@.......................................
...?.x.x.x.,.......h..x...6.N.....h.....;.X.H...................................
.......\plsquest.dr.............................................................
................................................................................
.................Before initiating any contact with or responding to any contact
.from the White House staff or s
```

4843

FILENAME: A:\XTRACT\105700.DAT   TUE 3/22/1994, 08:53

DISK 118730

```
Sector 105700:
taff of the Resolution Trust.Corporation regarding Madison Guaranty Savings & Lo
an, Whitewater.Development or any matters within the scope of the attached.subpo
ena, Treasury Department employees, including employees of.the Department's bure
aus, must obtain the approval of Edward.Knight, Executive Secretary and Senior A
dviser to the Secretary. .Mr. Knight will consult with the Department's ethics o
fficials,.and, as appropriate, with other officials of the Department, the.Offic
e of Government Ethics, the Offi
```

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FILENAME: A:\XTRACT\105701.DAT     TUE 3/22/1994, 08:54

DISK 118730


Sector 105701:
ce of Inspector General and.independent counsel Fiske's office, and will clear t
he contact or.not, as appropriate.  The requirement of obtaining prior approval.
from Mr. Knight does not apply to ...............................1.&.R..........
.......T.H'.......).,..+.+.......<.1.&.R.....C....@......H'.......).,..+.+......
.<...&.R..........@..."..h'..%....).,..+.+.......<...&.R..........@....*..H'....
....).,..+.+.......<...&.R.............,.....H'..!....).,..+.+...[...Y.1.&.X....
...............H'..+....).$..+.+
FILENAME: A:\XTRACT\106950.DAT     TUE 3/22/1994, 08:55

DISK 118730


Sector 106950:
rly February I described to him the process t....W.{B......hat the RTC was.under
taking in connection with its review of Madison in light of....W.{B.......(#'..,
......XAX.~............p*..?7...X................................................
............WPCt....8..........2.......2...B.....................................
..................................................................WPWP..WP Button
 Ba....2........................................................S.....-.......#..
X.~............p*..?7....XAX..#.
```

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FILENAME: A:\XTRACT\106957.DAT     TUE 3/22/1994, 08:55

DISK 118730


Sector 106957:
............`.`........................h.h.,........V............p.p..........
..... . ....Insert 11A..........I have had three brief discussions with Secreta
ry Bentsen on matters relating........S....-..............to Madison..........
...........h.h.,........V............p.p............. . .......x.x.-..... . X.
...........S....-.......X.............X.`.`....I alerted him that there was a
possiblity of criminal referrals being.made in late September..(#`...........S.
H...-.......X..............X.`.`
```

```
FILENAME: A:\XTRACT\106958.DAT     TUE 3/22/1994, 08:55

DISK 118730


Sector 106958:
....In early February I described to him the process that the RTC was.undertakin
g in connection with its review of Madison in light of the.then impending Februa
ry 28 deadline, and that I had received.Congressional inquiries on whether I wou
ld recuse myself from the.matter.  .(#'......X..........X.'.'....I told him that
 I was reserving judgement on the recusal..(#'............S.....-.......X.......
.......X.'.'....Somewhat later I told him that I was not inclined toward a recus
al.....W.{B-......(#'...........
FILENAME: A:\XTRACT\106989.DAT     TUE 3/22/1994, 08:56

DISK 118730


Sector 106989:
.............'.'.......................h.h.,........V............p.p.........
..... . ....Insert 11A..........I have had three brief discussions with Secreta
ry Bentsen on matters relating........S....-..............to Madison.........
..........h.h.,.......V............p.p............. . ......x.x.-..... . X.
..........S....-......X.............X.'.'...I alerted him that there was a
possibility of criminal referrals being.made in late September..(#'...........S
.H...-.......X..............X.'.
```

```
FILENAME: A:\XTRACT\106990.DAT     TUE 3/22/1994, 08:56

DISK 118730


Sector 106990:
'....In early February I described to him the process that the RTC  was.undertak
ing in connection with its review of Madison in light of the.then impending Febr
uary 28 deadline, and that I had received.Congressional inquiries on whether I w
ould recuse myself from the.matter.  .(#'......X..........X.'.'....I told him th
at I was reserving judgment on the recusal..(#'............S.....-.......X......
........X.'.'....Somewhat later I told him that I was not inclined toward a recu
sal..(#'...........S.y...-......
FILENAME: A:\XTRACT\106991.DAT     TUE 3/22/1994, 08:56

DISK 118730


Sector 106991:
............S.K...-..............Why did you have those conversations... ?
..............‘.‘....To give him a "heads up" so that he would not be caught by
surprise............‘.‘....if he were to receive inquiries on these matters as C
hairman of the............‘.‘....Oversight Board...."...............0*0*0*......
...."..............S....-.................MADISON/WHITEWATER: CONVERSATIONS.....
......S....-....Q:.............What conversations have you had with Deputy Secr
etary Altman on the ....W.{B....
```

```
FILENAME: A:\XTRACT\107319.DAT     TUE 3/22/1994, 08:56

DISK 118730

Sector 107319:
.Procedure for Matters Related to Madison Guaranty .....Before initiating any co
ntact with or responding to any contact.from the White House staff or staff of t
he Resolution Trust.Corporation regarding Madison Guaranty Savings & Loan, White
water.Development or any matters within the scope of the attached.subpoena, Trea
sury Department employees, including employees of.the Department's bureaus, must
 obtain the approval of Edward.Knight, Executive Secretary and Senior Adviser to
 the Secretary. .Mr. Knight will
```

```
FILENAME: A:\XTRACT\107320.DAT     TUE 3/22/1994, 08:56

DISK 118730

Sector 107320:
 consult with the Department's ethics officials,.and, as appropriate, with other
 officials of the Department, the.Office of Government Ethics, the Office of Ins
pector General and.independent counsel Fiske's office, and will clear the contac
t or.not, as appropriate.  The requirement of obtaining prior approval.from Mr.
Knight does not apply to routine law enforcement.contacts....g..#......, includi
ng inquiries and referrals,....g..#...... by Treasury's law.enforcement bureaus.
..........T:..'.'...............
```

FILENAME: A:\XTRACT\107323.DAT TUE 3/22/1994, 08:56

DISK 118730

Sector 107323:
.Procedure for Matters Related to Madison Guaranty .....Except as provided below, before initiating any contact with or.responding to any contact from anyone outside of the Department.regarding Madison Guaranty Savings & Loan, Whitewater Development.or any matters within the scope of the attached subpoena,.Treasury Department employees, including employees of the.Department's bureaus, must obtain the approval of Edward Knight,.Executive Secretary and Senior Adviser to the Secretary. Mr..Knight will consult

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FILENAME: A:\XTRACT\107324.DAT     TUE 3/22/1994, 08:56

DISK 118730


Sector 107324:
 with the Department's ethics officials, and,.as appropriate, with other officia
ls of the Department, the.Office of Government Ethics, the Office of Inspector G
eneral and.independent counsel Fiske's office, and will clear the contact or.not
, as appropriate.  ..The requirement of obtaining prior approval from Mr. Knight
 does.not apply to:....g..#..........g..#..............?.....<...........x....
......'.'....with the Office of Government Ethics;.(#'............?....<.......
.......x................'.'.....
```

```
FILENAME: A:\XTRACT\107325.DAT     TUE 3/22/1994, 08:56

DISK 118730


Sector 107325:
..with the Office of Inspector General;.(#'............?.....<...........x......
....'.'....with representatives of independent counsel Robert B..Fiske, Jr.; or.
(#'...........?.....<...........x..........'.'....that are routine law enforcem
ent contacts, including.inquiries and referrals................................
.................................MEMORANDUM FOR SENIOR OFFICIALS AND BUREAU H
EADS..........?.....<.....FROM:..'.'.............Lloyd Bentsen..........?.x...<.
....SUBJECT:..'.'...............
```

4572

```
FILENAME: A:\XTRACT\108291.DAT      TUE 3/22/1994, 08:58

DISK 118730


Sector 108291:
MEMORANDUM FOR SENIOR OFFICIALS AND BUREAU HEADS..........?.....<.....FROM:..'.'
.............Lloyd Bentsen..........?.x...<.....SUBJECT:..'.'................Pro
cedure for Matters Related to Madison Guaranty .....Except as provided below, be
fore initiating any contact with or.responding to any contact from anyone outsid
e of the Department.regarding Madison Guaranty Savings & Loan, Whitewater Develo
pment.or any matters within the scope of the attached subpoena,.Treasury Departm
ent employees, including employe
```

```
FILENAME: A:\XTRACT\108292.DAT     TUE 3/22/1994, 08:58

DISK 118730


Sector 108292:
es of the.Department's bureaus, must obtain the approval of Edward Knight,.Execu
tive Secretary and Senior Adviser to the Secretary.  Mr..Knight will consult wit
h the Department's ethics officials, and,.as appropriate, with other officials o
f the Department, the.Office of Government Ethics, the Office of Inspector Gener
al and.independent counsel Fiske's office, and will clear the contact or.not, as
 appropriate.  ..The requirement of obtaining prior approval from Mr. Knight doe
s.not apply to contacts:........
```

```
FILENAME: A:\XTRACT\108331.DAT     TUE 3/22/1994, 08:58

DISK 118730


Sector 108331:
.g..#.........MEMORANDUM FOR SENIOR OFFICIALS AND BUREAU HEADS..........?.....<.
....FROM:..'.'.............Lloyd Bentsen..........?.x...<.....SUBJECT:..'.'.....
...........Procedure for Matters Related to Madison Guaranty .....Before initiat
ing any contact with or responding to any contact.from the White House staff or
staff of the Resolution Trust.Corporation regarding Madison Guaranty Savings & L
oan, Whitewater.Development or any matters within the scope of the attached.subp
oena, Treasury Department employ
```

4555

```
FILENAME: A:\XTRACT\108332.DAT     TUE 3/22/1994, 08:58

DISK 118730


Sector 108332:
ees, including employees of.the Department's bureaus, must obtain the approval o
f Edward.Knight, Executive Secretary and Senior Adviser to the Secretary. .Mr. K
night will consult with the Department's ethics officials,.and, as appropriate,
with other officials of the Department, the.Office of Government Ethics, the Off
ice of Inspector General and.independent counsel Fiske's office, and will clear
the contact or.not, as appropriate.  The requirement of obtaining prior approval
.from Mr. Knight does not apply
```

```
                    DUMPFILE - (C) Copyright 1992 by Andrew M. Fried

FILE - "A:WW2"

.WPC................2..........B.........P....Z................Courier 10c
pi..#|.~..................w..x...6.X......@...8..;.X.@.......................
...........HP LaserJet III (Additional)........HPLAIIAD.PRS...x............@.
.......,...\.,..~.H.X.@..............2.......&...<.........b.....X...;.....F..
.'...Courier 10cpi.Univers Bold (Scalable)..."...S.h.....5..................^
CCh~~..CCC~.CCCC~~~~~~~~~~~CC...h..~..so..8o.k...w...~.....zCCCddCkskskJss00k0.
ssssFdJso.oo'ddd..C.~~..~~~...C.~~~~~~.d~z0..k.k.k.k.k...kskskskskskl80808080.s.s
.s.s.s.s.s.s.s.o.k.d.s.s.o.sws.k.~.~....~.~.~.~~~~~~~~~...s.~.~.~.~.~.~~0~~~~8z
.'~~.~..~~~~kNk8.....~.~.~.~......~.~...d.~.~~~~~~~.s.~.~.~...s...~..z'.C.....d
d...C......CCW............................................dddddddddddddddd
ddddddddddddddddxddxdxxN...d.~~Choo~~.~QQ..~NNdd~.N.CC.dd~.JJ..~~zz..d.d.d...
.zz.....pCd......d.......N"..........d...o............x.........d..........dCC...
...z............xC.d.~w~.....'C~.o~s........................d................
.............z.............Uw.................................................
.........................................................d.............
...d.......d..................................................................
....C......C......C......C....................................................
........................s~w..od.ssdz].s.z84.d.d.w.o.'.s.zwsz..]~].w...o.....
s.C~....s.......CC~~~.~.......................................................
............~~~.............................................C..z.dYC)xxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx......?.x.x.x.,.......w..x...6.X......@...
8..;.X.@...............................................2.~.C.C,......XAX.~........
....p...?7...X..................................................WPCt.
...8.........2......2..B..........................................................
................................................WPWP..WP Button Ba....2.....
................................................S.....-.......#..X.~.........
....p...?7....XAX..#...............'.'.......................h.h.,........V...
..........p.p............... .....Insert 11A...........I have had three brief
 discussions with Secretary Bentsen on matters relating.........S.....-.......
.......to Madison.....................h.h.,.........V.............p.p.........
..... ......x.x.-..... X...........S....-.........X..............X.'.'....
I alerted him that there was a ....W.{BZ...possiblit........W.{BZ....possibil
ity....W.{BZ.........W.{BZ...y.... of criminal referrals being.made in late Se
ptember..(#'...........S.H...-.......X..............X.'.'....In early Februar
y I described to him the process that the RTC was.undertaking in connection wi
th its review of Madison in light of the.then impending February 28 deadline,
and that I had received.Congressional inquiries on whether I would recuse myse
lf from the.matter.  .(#'.....X..........X.'.'....I told him that I was reser
ving judgement on the recusal..(#'...........S....-.......X.............X.'
.'....Somewhat later I told him that I was not inclined toward a recusal..(#'.
..........S.y...-..................S.K...-...................Why did you have
 those conversations... ?.........x....'.'....To give him a "heads up" so that
 he would not be caught by surprise.......x....'.'....if he were to receive in
quiries on these matters as Chairman of the.......x....'.'....Oversight Board.
....W.{B[........"...............0*0*0*..........".............S.....-.........
.........MADISON/WHITEW....W.{Bt.....A....W.{Bt.....TER: CONVERSATIONS........
...S.....-.....Q:......x.....What conversations have you had with Deputy Secre
tary Altman on ....W.{By.....

Program finished...
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                    DUMPFILE - (C) Copyright 1992 by Andrew M. Fried

FILE - "A:MM1"

.WPC................2...........B.........P.....Z..................Courier 10c
pi..#|.w.................^..x...6.X......@...8..;.X.@.........................
...........HP LaserJet III (Additional).........HPLAIIAD.PRS...x............@.
.......,...\.,..d...X.@..............2...........<....."...L.........n.....X..
.G....#|.x...........Courier 10cpi.CG Times (Scalable)..."...S.h.....5........
...........^;C]dd..CCCd.CCCCddddddddddCC...Y..~..~v..CN.~...s..k~......CCCddCY
dYdYCdd88d8.ddddJN8dd.ddYYdY..d.dd..ddd...C.dddddd.ddd8..Y.Y.Y.Y.Y...Y~Y~Y~Y~Y
C8C8C8C8.d.d.d.d.d.d.d.d.d.d.Y.d.d.d.d.dsd.d.d.d...d.d.d.d~d~d~d~d...d.d.d.d.d
.d.dd8dddd...odd.d..~d~d.<|8...t.d.d.d.d.....d.d..1Lkdkd~d~d~d.d.d.d.d.......d
...X.C.....dd...C......CCW................................................xxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxN...d.ddCYQQdd.ddd..dFdddd.F.CC.hhd.44..dd
zz..d.d.d.v..oo.....dCh......d.......F".........d...h..........x.........d....
......dCC......z............xC.d.dod....dCd.Yds.....................].........
..........................z.............Uv....................................
...........................................................................d..
...............Y.......Y......................................................
................C......C......C......C........................................
......................................z~o..zo.Y~N.Y.d.YC8.Y.o.o.Y.d.Y.zsdzd.d~
Y.Y.z.o.zzz.~.Cd...zYz.z.zz.CCddd.d...........................................
.........................ddd............................z..................C..
s.dYC).xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx.....?.x.x.x.,.......^..x...6
.X......@...8..;.X.@....................................1....8.w.C.;.,.......[
AX.w........... P...7...X.P......................................l..H...<.!...
,.........,<.......... P...7...,.P............................................
..............................................................................
......2..............................................."...S.h.....5...........
........^.!.22YN!!!2Y!!!!2222222222!!dYd,YH?EJ?;HJ!'F?[JH9HC6?JH^HHA!!!22!,2,2
,!22..2.N2222%'.22H22,,2,d.2.22..222...!.222222.222..H,H,H,H,H,YCE,?,?,?,?,!.!
.!.!.J2H2H2H2H2J2J2J2J2H2H,J2H2H2H2J292H2H2H2..E2E2E2J2?2?2?2?2..H2H2H2H2H2J2J
22.2222..I822F2..?2?2@.>....:J2J2H2H2YH..C2C2..6&6262?2?2?2J2J2J2J2....^HH2..@
,.!.....22...!......!!Wddddddddddddddddddddddddddddddddddddddddddddddddxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxNHHH2.22!,))22X222YY2#2222Y#.!!.442Y..dd22==L
d2d2H2.;SS88Y....2!4......2..^.x..#"ddddHHddd2Hdd4HHYYddd...x.........2.YYddd.
..Y2!!dddddH=dYHHHHHHHHHHx!d2H282YdHdC2!2H,29HNAddHHHHHHHHHHddddd.dHHHHddddddd
dddddd.dddddHHddddddSC=NdHd...dd....+;........................................
........HHHH.......................dd..........d........dd.........d.HHH2HHdHH
ddd...HH...H,...HHHH,...HHHHH...HHH...HHH...HHH...HHHHHHHHHHHHHH.....H...HHHHH
H...HHHHHHHHH!...HHH!...HHH!...HHH!...HHHH...H...............................
...................H...HHHH...HHH.H=?8..=8C,?'A,J2H,!.F,C8[8J,C2H,H=92=2.2?,H,
C=H8N===H?J!2HHH=,=.=.==.!!222.2......................H.......................
..J...................222................HHH.........=..................!..9.2
,!)dxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx......h..D........(..............
...........H.=...i.........#..,.<........... P....7......,.P#...MM1..#....x...
6.X......@...8..;...^X.@#...(.......h..D...............Y.....-.......#..X.w...
........ P...7...(AX.P#...............Y.....-.......#..X.w........... P...7...
..(AX.P#........./..March 8, 1994.............Y.>...-........To:......x....`.`
............UNDERSECRETARIES.......x....`.`..............ASSISTANT SECRETARIES
.......x....`.`.............CHIEF OF STAFF.......x....`.`.............EXECUTIV
E SECRETARY..........Y.....-.....From:......x....`.`.............Roger Altman.
.........Y.....-.....Subject:..`.`.............Communications with the White H
ouse ..................Y.....-...............x..In addition to the memo you ha
ve received from Executive Secretary Ed Knight.regarding the collection and pr
oduction of documents in connection with the subpoenas, I.must instruct you to
 relay all information, whether written or oral, to him...h..D..... that per
tains to any.such communications with the White House on this matter.
```

```
FILENAME: A:\XTRACT\44298.DAT     MON 3/21/1994, 14:30

DISK 115259


Sector 44298:
x.,......qrX.x...6.X......@..D.Q...X.@..................................HP Las
erJet III.(Additional).........HPLASIII.WRS...x............@.......,..........
.....?.X...<...........Q.  Any Question about Madison Guaranty Savings and Loan.
Association. (Or, at end of prepared opening statement.)....A.  I am very consci
ous of the uproar about several meetings.between several present and former Trea
sury officials and White.House staffers about matters that have some relationshi
p with.Madison Savings and Loan
```

```
Sector 44298:
x.,......qrX.x...6.X......@..D.Q...X.@..................................HP Las
erJet III.(Additional).........HPLASIII.WRS...x............@.......,..........
.....?.X...<...........Q.  Any Question about Madison Guaranty Savings and Loan.
Association. (Or, at end of prepared opening statement.)....A.  I am very consci
ous of the uproar about several meetings.between several present and former Trea
sury officials and White.House staffers about matters that have some relationshi
p with.Madison Savings and Loan
```

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FILENAME: A:\XTRACT\44299.DAT     MON 3/21/1994, 14:30

DISK 115259


Sector 44299:
Association.  I have the highest regard.for the integrity of the hard.working pu
blic servants who.attended the meetings, but I understand the concer....g.oc....
..ns about ethics.and appearances that have arisen.  When I heard about the.meet
ings I decided not to conduct fact.finding myself but I.d....g.oc......irected T
reasury staff to work with the Office of Government.Ethics to assemble all of th
e facts and circumstances about these.meetings.  I asked OGE to report to me the
ir views about any.ethics or con
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Sector 44299:
Association.  I have the highest regard.for the integrity of the hard.working pu
blic servants who.attended the meetings, but I understand the concer....g.oc....
..ns about ethics.and appearances that have arisen.  When I heard about the.meet
ings I decided not to conduct fact.finding myself but I.d....g.oc......irected T
reasury staff to work with the Office of Government.Ethics to assemble all of th
e facts and circumstances about these.meetings.  I asked OGE to report to me the
ir views about any.ethics or con
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FILENAME: A:\XTRACT\44300.DAT     MON 3/21/1994, 14:30

DISK 115259


Sector 44300:
flicts ....g.oc(.....matters that may arise from these facts.  ........x..Last F
riday, March 4, Treasury and several senior officials.were served with subpoenas
 by Special Counsel Robert Fiske for.any and all doc....g.oc1.....uments and oth
er materials related to these.meetings.  The subpoena directed that responsiv...
.g.ocB.....e documents be.produced on March 10 and that several individu....g.oc
D.....als testify before.a grand jury on the same date.  ....g.ocD.....I have re
ad about some of these.meetings
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Sector 44300:
flicts ....g.oc(.....matters that may arise from these facts.  ........x..Last F
riday, March 4, Treasury and several senior officials.were served with subpoenas
 by Special Counsel Robert Fiske for.any and all doc....g.oc1.....uments and oth
er materials related to these.meetings.  The subpoena directed that responsiv...
.g.ocB.....e documents be.produced on March 10 and that several individu....g.oc
D.....als testify before.a grand jury on the same date.  ....g.ocD.....I have re
ad about some of these.meetings
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FILENAME: A:\XTRACT\44301.DAT      MON 3/21/1994, 14:30

DISK 115259


Sector 44301:
in the media and I know some bits and pieces of.information from my staff.  I un
derstand that Special Counsel.Fiske yesterday asked the Acting Inspector General
 of the.Treasury Department not to undertake an IG investigation of these.meetin
gs that was requested last week by Congressman Frank Wolf.  .I also understand th
at yesterday Special Counsel Fiske sent a.letter to Senator Riegle, Chairman of
the Senate Banking.Committee, requesting th....g.ocI.....at congressional hearin
gs not be held on.these matters.
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Sector 44301:
in the media and I know some bits and pieces of.information from my staff.  I un
derstand that Special Counsel.Fiske yesterday asked the Acting Inspector General
 of the.Treasury Department not to undertake an IG investigation of these.meetin
gs that was requested last week by Congressman Frank Wolf.  .I also understand th
at yesterday Special Counsel Fiske sent a.letter to Senator Riegle, Chairman of
the Senate Banking.Committee, requesting th....g.ocI.....at congressional hearin
gs not be held on.these matters.
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FILENAME: A:\XTRACT\44302.DAT     MON 3/21/1994, 14:30

DISK 115259


Sector 44302:
  Further, I un....g.ocM.....derstand that OGE has requested a.meeting with Spec
ial Counsel attorn....g.ocO.....eys to discuss the OGE review.of these meetings.
....g.oc]....  ....g.oc].....Of course, Treasury will cooperate fully with.Spec
ial Counsel Fiske in his investigation.   .....g.oc^...........x......g.oc_....
.Given all of these circumstances, I believe that it is.advisable for me not to
discuss any det....g.oca.....ails that I may be aware.of about these meetings in
 this hearing today.  This is no
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Sector 44302:
  Further, I un....g.ocM.....derstand that OGE has requested a.meeting with Spec
ial Counsel attorn....g.ocO.....eys to discuss the OGE review.of these meetings.
....g.oc]....  ....g.oc].....Of course, Treasury will cooperate fully with.Spec
ial Counsel Fiske in his investigation.   .....g.oc^...........x......g.oc_....
.Given all of these circumstances, I believe that it is.advisable for me not to
discuss any det....g.oca.....ails that I may be aware.of about these meetings in
 this hearing today.  This is no
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FILENAME: A:\XTRACT\44303.DAT     MON 3/21/1994, 14:30

DISK 115259


Sector 44303:
t ....g.occ.....the.right time or pl....g.ocg.....ace.  I am anxious for the fac
ts and.circumstances to be collected, reviewed....g.ocl....., and reported to me
 as ....g.ocl......and reviewedQuestion about Madison Guaranty Savings and Loan.
Association. (Or, at end of prepared opening statement.)....A.  I am very consci
ous of the uproar about several meetings.between several present and former Trea
sury officials and White.House staffers about matters that have some relationshi
p with.Madison Savings and Loan
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Sector 44303:
t ....g.occ.....the.right time or pl....g.ocg.....ace.  I am anxious for the fac
ts and.circumstances to be collected, reviewed....g.ocl....., and reported to me
 as ....g.ocl......and reviewedQuestion about Madison Guaranty Savings and Loan.
Association. (Or, at end of prepared opening statement.)....A.  I am very consci
ous of the uproar about several meetings.between several present and former Trea
sury officials and White.House staffers about matters that have some relationshi
p with.Madison Savings and Loan
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FILENAME: A:\XTRACT\44586.DAT     MON 3/21/1994, 14:30

DISK 115259


Sector 44586:
x.,......qrX.x...6.X......@..D.Q...X.@....................................HP Las
erJet III.(Additional).........HPLASIII.WRS...x............@.......,............
..?.....<.........g.oc.............g.oc......DRAFT...g.oc............g.oc.....
.........?.....<...........Q.  Any Question about Madison Guaranty Savings and
Loan.Association. (Or, at end of prepared opening statement.)...A.  I am very co
nscious of the uproar concerning several meetings.between present and former Tre
asury officials and White House.
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FILENAME: A:\XTRACT\44587.DAT     MON 3/21/1994, 14:30

DISK 115259


Sector 44587:
staffers about matters that have some relationship with Madison.Savings and Loan
 Association.  I have the highest regard for the.integrity of the hard.working p
ublic servants who attended the.meetings, but I understand the concerns about et
hics and.appearances that have arisen.  ..I have decided not to conduct fact.fin
ding myself.  Instead, I.directed Treasury staff to work with the Office of Gove
rnment.Ethics to assemble all of the facts and circumstances about these.meeting
s, so that OGE could advise me a
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FILENAME: A:\XTRACT\44588.DAT     MON 3/21/1994, 14:30

DISK 115259


Sector 44588:
bout any ethics or.conflicts matters that may arise from these facts.  ..Last Fr
iday, March 4, Treasury and several senior officials were.served with subpoenas
by Special Counsel Robert Fiske for any and.all documents and other materials re
lated to these meetings.  The.subpoenas directed that responsive documents be pr
oduced on March.10 and that several individuals testify before a grand jury on.t
he same date.  ..I understand that Special Counsel Fiske yesterday asked the.Act
ing Inspector General of the Tre
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FILENAME: A:\XTRACT\44589.DAT     MON 3/21/1994, 14:30

DISK 115259


Sector 44589:
asury Department not to.undertake an IG investigation of these meetings that was
.requested last week by Congressman Frank Wolf.  [I also.understand that yesterd
ay Special Counsel Fiske sent a letter to.Senator Riegle, Chairman of the Senate
 Banking Committee,.requesting that congressional hearings not be held on these.
matters.]  Further, I understand that OGE has requested a meeting.with Special C
ounsel attorneys to discuss the OGE review of these.meetings.  ........x..Given
all of these circumstances, I be
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FILENAME: A:\XTRACT\44590.DAT     MON 3/21/1994, 14:30

DISK 115259


Sector 44590:
lieve that it is.advisable for me not to discuss any details that I may be aware
.of about these meetings in this hearing today.  This is not the.right time or p
lace.  I know some bits and pieces about these.meetings from staff, and I have r
ead some media reports about the.meetings.  I am anxious for the facts and circu
mstances to be.collected, reviewed, and reported to me as expeditiously as.possi
ble.  At the appropriate time I will be happy to go on the.record and discuss de
tails about these meetings.  ..I
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FILENAME: A:\XTRACT\44591.DAT     MON 3/21/1994, 14:31

DISK 115259

Sector 44591:
 believe that this is the most efficient and fairest way to deal.with these issu
es, and it gives Treasury an opportunity to work.with Special Counsel Fiske and
OGE to collect and organize.information. Of course, Treasury will cooperate full
y with.Special Counsel Fiske in his investigation..   ..........I would appreci
ate your support and understanding in this matter.statement.)...A.  I am very co
nscious of the uproar concerning several meetings.between present and former Tre
asury officials and White House.
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FILENAME: A:\XTRACT\113834.DAT     MON 3/21/1994, 11:42

DISK 115036

Sector 113834:
........D...............X.1...-........MEMORANDUM FOR MACK McLARTY, THE WHITE HO
USE...................Y....-.....FROM:..'.'.............Lloyd Bentsen..........
Y....-.....SUBJECT:..'.'.............Weekly Report for the week of March 13, 19
94.........Y....-.................KEY DEPARTMENT NEWS......Possible Treasury.r
elated topics for press coverage include:.........Y.L...-...........x........o.
...'.'....Investigation of Treasury.White House contacts regarding Madison Guara
nty.(#'............Y....-.....
FILENAME: A:\XTRACT\118708.DAT      MON 3/21/1994, 11:42

DISK 115036


Sector 118708:
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..X.w........... P....7....[AX.P#..............Y.....-...........D.3 1, 4..
........................................................D.......MEMORANDUM FOR E
D KNIGHT..........Y.H...-.....FR
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FILENAME: A:\XTRACT\118709.DAT     MON 3/21/1994, 11:42

DISK 115036


Sector 118709:
OM:....‘.‘......X........Pat O’Donnell.(#.............Y....-.....SUBJECT:....‘.
‘......X........Whitewater & Madison.related documents.(#.....Attached to this m
emo are copies of all documents I have found in my paper and computer.files ment
ioning or alluding to Madison Guaranty or Whitewater.  Following is a list of th
ose.documents, including the names of the computer files for those that are on m
y office.computer:..........Y.y...-.....o..X.....x..Treasury department weekly r
eport dated March 3, 1994 (with
FILENAME: A:\XTRACT\118710.DAT     MON 3/21/1994, 11:42

DISK 115036


Sector 118710:
cover note of same.date from Josh Steiner to Christine Varney) (weekly.317).(#..
............Y.4...-.....o..X.....x..General Counsel weekly report dated March 2,
1994.(#..............Y....-.....o..X.....x..Treasury Department weekly report da
ted February 24, 1994 (with cover not....h..c......e....h..c...... of.same date
from Josh Steiner to Christine Varney) (weekly.224).(#..............Y....-.....o
..X.....x..Legislative Affairs weekly report dated February 23, 1994.(#.........
....Y....-.....o..X.....x..Trea
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FILENAME: A:\XTRACT\118711.DAT     MON 3/21/1994, 11:42

DISK 115036


Sector 118711:
sury Department weekly report dated February 18, 1994 (weekly.217).(#...........
..Y.e...-.....o..X.....x..Memo from Pat O'Donnell to Josh Steiner dated February
 16, 1994 regarding press.mentions of Roger Altman and the issue of recusing him
self from some RTC issues,.including Whitewater/Madison Guaranty (altrecus.mem).
(#............Y....-.....o..X.....x..Treasury department weekly report dated F
ebruary 4, 1994 (with cover note from.Josh Steiner to Christine Varney dated Feb
ruary 3, 1994) (weekly.203).(#..
```

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Sector 118711:
sury Department weekly report dated February 18, 1994 (weekly.217).(#...........
..Y.e...-.....o..X.....x..Memo from Pat O'Donnell to Josh Steiner dated February
.16, 1994 regarding press.mentions of Roger Altman and the issue of recusing him
self from some RTC issues,.including Whitewater/Madison Guaranty (altrecus.mem).
(#............Y....-.....o..X.....x..Treasury department weekly report dated F
ebruary 4, 1994 (with cover note from.Josh Steiner to Christine Varney dated Feb
ruary 3, 1994) (weekly.203).(#..
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FILENAME: A:\XTRACT\123522.DAT     MON 3/21/1994, 11:42

DISK 115036


Sector 123522:
........D...............X.1...-........MEMORANDUM FOR MACK McLARTY, THE WHITE HO
USE..................Y....;-.....FROM:..'.'.............Lloyd Bentsen..........
Y....-.....SUBJECT:..'.'............Weekly Report for the week of March 13, 19
94.........Y....-.............Y....-.................KEY DEPARTMENT NEWS.....
.Possible Treasury.related topics for press coverage include:..........Y.L...-..
.........x.......o...'.'....Investigation of Treasury.White House contacts reg
arding Madison Guaranty.(#'.....
FILENAME: A:\XTRACT\131130.DAT     MON 3/21/1994, 11:43

DISK 115036

Sector 131130:
....X.1...-........MEMORANDUM FOR MACK McLARTY, THE WHITE HOUSE.................
..Y....-.....FROM:..'.'............Lloyd Bentsen..........Y....-.....SUBJECT:
..'.'............Weekly Report for the week of March 13, 1994..........Y.....-.
.................KEY DEPARTMENT NEWS......Possible Treasury.related topics for pr
ess coverage include:..........Y.L..-..........x........o...'.'....Investigat
ion of Treasury.White House contacts regarding Madison Guaranty.(#'............
Y....-.......7.........THE WEEK
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FILENAME: A:\XTRACT\131802.DAT MON 3/21/1994, 11:44

DISK 115036

Sector 131802:

Redacted

'.'....[Investigation of Treasury]

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FILENAME: A:\XTRACT\131803.DAT     MON 3/21/1994, 11:44

DISK 115036

Sector 131803:
.White House contacts regarding Madison Guaranty.
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Redacted

FILENAME: A:\XTRACT\131859.DAT MON 3/21/1994, 11:44

DISK 115036

Sector 131859:

[Investigation of Treasury.White House contacts regarding Madison Guaranty.]

Redacted

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FILENAME: A:\XTRACT\131915.DAT     MON 3/21/1994, 11:44

DISK 115036


Sector 131915:
'.'....Asian Pacific Economic Cooperation finance ministers' meeting.(#'........
...Y....-...........x........o....'.'....Investigation of Treasury.White House
contacts regarding Madison Guaranty.(#'............Y....-.......7........THE
WEEK AHEAD............Y....-........G.7 Jobs ......Conference...:  I will par
ticipate in the G.7 ....j.-a......Jobs Conference March 14 and 15 in.detroit wit
h the President.  ....j.-a................Y.g...-........APEC Finance Ministers
Meeting...:  For the first time,
FILENAME: A:\XTRACT\131971.DAT     MON 3/21/1994, 11:44

DISK 115036


Sector 131971:
'.'....Asian Pacific Economic Cooperation finance ministers' meeting.(#'........
...Y....-..........x.......o....'.'....Investigation of Treasury.White House
contacts regarding Madison Guaranty.(#'............Y....-.......7........THE
WEEK AHEAD.............Y....-........G.7 Jobs ......Conference...:  I will par
ticipate in the G.7 ....j.-a......Jobs Conference March 14 and 15 in.detroit wit
h the President.  ....j.-a...............Y.g...-........APEC Finance Ministers
Meeting...:  ....j.-a......F....
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FILENAME: A:\XTRACT\132739.DAT MON 3/21/1994, 11:45

DISK 115036

Sector 132739:

[Investigation of Treasury-White House contacts regarding Madison Guaranty]

Redacted

FILENAME: A:\XTRACT\133003.DAT MON 3/21/1994, 11:45

DISK 115036

Sector 133003:

Investigation of Treas

ury.White House contacts regarding Madison Guaranty.

Redacted

FILENAME: A:\XTRACT\133899.DAT MON 3/21/1994, 11:46

DISK 115036

Sector 133899:

Investigation of Treasury.White House contacts regarding Madison Guaranty

Redacted

FILENAME: A:\XTRACT\134027.DAT MON 3/21/1994, 11:46

DISK 115036

Sector 134027:

...o....`.`....[Investigation of Treasury-White House contacts regarding Madison Guaranty.]

Redacted

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FILENAME: A:\XTRACT\134091.DAT     MON 3/21/1994, 11:46

DISK 115036

Sector 134091:
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Redacted

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..x........o....'.'...[Investigation of Treasury.White House contacts regarding
Madison Guaranty]
.-a...........j.-a...............Y.-...-........G.7 Jobs ......Conference...:
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FILENAME: A:\XTRACT\134140.DAT MON 3/21/1994, 11:46

DISK 115036

Sector 134140:

Investigation of Treasury-White House contacts regarding Madison Guaranty.

Redacted

FILENAME: A:\XTRACT\134667.DAT   MON 3/21/1994, 11:46

DISK 115036

Sector 134667:

[Investigation of Treasury.White House contacts regarding Madison Guaranty✓

Redacted

FILENAME: A:\XTRACT\138782.DAT MON 3/21/1994, 11:46

DISK 115036

Sector 138782:

Redacted [M

adison Guaranty/Whitewater...: Deputy Secretary Roger Altman announced that, in his.capacity as interim CEO of the RTC, he would recuse himself from any issues involving the.........Y.."..-.....RTC's handling of Madison Guaranty. This mor ning, ...The Washington Post... ran a front.page.story on briefings given White House officials by Treasury offi]

FILENAME: A:\XTRACT\138783.DAT **MON 3/21/1994, 11:46**

DISK 115036

Sector 138783:
cials other than Altman

Redacted

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FILENAME: A:\XTRACT\138952.DAT     MON 3/21/1994, 11:47

DISK 115036


Sector 138952:
 avoid filing requirements.  ..........Y....-.....D.......x.....Controversy....
.........Y....-........Madison Guaranty/Whitewater...:  Deputy Secretary Roger
Altman announced that, in his.capacity as interim CEO of the RTC, he would recus
e himself from any issues involving the.........Y....-.....RTC's handling of Ma
dison Guaranty.  This morning, ...The Washington Post... ran a front.page.story
on briefings given White House officials by Treasury officials other than Altman
...........Y.A...-...........T..        .
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FILENAME: A:\XTRACT\142978.DAT MON 3/21/1994, 11:47

DISK 115036

Sector 142978:
TC's handling of Madison Guaranty. This morning, ...The Washington Post... ran a front.page.story on meetings between White House and Treasury officials.

Redacted

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FILENAME: A:\XTRACT\58026.DAT     MON 3/21/1994, 11:50

DISK 115036


Sector 58026:
........D...............X.1...-........MEMORANDUM FOR MACK McLARTY, THE WHITE HO
USE...................Y....-.....FROM:..'.'.............Lloyd Bentsen..........
Y....-.....SUBJECT:..'.'............Weekly Report for the week of March 13, 19
94.........Y....-..............Y....-.................KEY DEPARTMENT NEWS.....
.Possible Treasury.related topics for press coverage include:..........Y.L...-..
.........x........o....'.'....Investigation of Treasury.White House contacts reg
arding Madison Guaranty.(#'.....
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......dCC......z.............xC.d.dod.....dCd.Yds...................].........
.........................z.............Uv.....................................
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..............Y......Y...
..............C.....C.....C.....C..
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Y.Y.z.o.zzz.~.Cd...zYz.z.zz.CCddd.d..
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s.dYC).xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx..........Y....-.......#..X.w..
, 4...D.......MEMORANDUM FOR JOSHUA L. STEINER..........Y.H...-.....FROM:....'.'......X........Pat O'Donnell.(#............Y....-.....SUBJECT:....'.'......X........Press mentions of Altman recusal from RTC matters.(#.....A NEXIS search revealed two sets of stories mentioning Deputy Secretary Altman recusing.himself from some RTC matters. Copies are attached in reverse chronological order, with.the relevant sections highlighted. The most recent set dates from earlier this month and.concerns Representative Leach's request that the Deputy Secretary recuse himself from any.RTC issues related to Whitewater/Madison Guaranty. The other set dates from last March.and mentions briefly his recusal from matters related to the Blackstone Group and his.personal holdings. Altman is quoted only in the McLaughlin's One on One transcript.........!..Whitewater.related..........Y.. ...-........John McLaughlin's One on One...: February 11, 1994: (Responding to McLaughlin asking.him what he thought of Leach's Whitewater letter) "Well, I think what the American people.deserve in this case, and what they will get , is an objective professional and arm's length.treatment of the issue. Let me remind you, last October it was the RTC which referred this.matter to the Justice Department for any possible further review."..And in response to McLaughlin's broadening the discussion to cover charges of Clinton.cronyism in bank regulatory positions in general: "Again, what such appointees must do is.pursue any matters like this on a completely arm's length, completely professional and.completely objective basis."..........Y....-........The Washington Times. .., February 4, 1994: Representative Leach released "a letter to Roger.C. Altman, the interim head of the Resolution Trust Corporation (RTC), urging his recusal.from any probe of the Whitewater.Madison affair." The article later quoted the letter..........Y..!..-........Gannett News Service..., February 3, 1994: "Leach's letter to Altman requested that Altman,.as a political appointee of Clinton's, recuse himself from any RTC investigations of.Whitewater."........... Blackstone/personal..........Y..(..-........BNA's Banking Report..., March 22, 1993: "Altman will not need to recuse himself from any.RTC dealings , the Treasury spokeswoman said. The Blackstone Group, an investment firm..". ...(.........0*0*0*.....'...."....with which he was affiliated, does not now, nor does it plan to in the foreseeable future,.have any dealings with the RTC , she said..."Furthermore, Altman is in the process o....P..Vp.....f....P..Vp. .... finalizing his separation from Blackstone, she.said."..........Y.v...-... .....Resolution Trust Reporter..., March 22, 1993: "Mr. Altman is a former partner in the.Blackstone Group LP, N.Y., a major investor in RTC loans and real estate..."To avoid the appearance of a conflict of interest, Mr. Altman may have to recuse himself.from major agency decisions that could affect his former employer."..........Y....-........BNA Daily Report for Executives..., March 17, 1993: Slight variation of the 3/22 story in.BNA's Banking Report......... ..Y....-........BNA Banking Daily..., March 22, 1993: Slight variation of the 3/22 story in BNA's Banking.Report.........Y.y...-................Y.b...-. ....BNA Washington Insider..., March 17: Slight variation of the 3/22 story in BNA's Banking.Report..........Y....-........The Washington Post..., March 11, 1993: (Story on Casey leaving RTC early) "One.possibility, sources said, is that Deputy Treasury Secretary Roger C. Altman would take on.Casey's responsibilities until a permanent successor is named..."Because of his previous employment as a partner with the Blackstone Group L.P., which.has been a purchaser of RTC commercial loans and real estate, Altman may be forced to.recuse him

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self from some agency decisions.".........Y.e...-........The Washington Post.
.., February 10, 1993:  Hilzenrath story on potential conflicts of interest.du
e to Altman's background in finance.

Program finished...
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Redacted

[Madison Guaranty/Whitewater... : Deputy Secretary Roger Altman announced that, in his.capacity as interim CEO of the RTC, he would recuse himself from any issues involving the.........Y. ....-.....RTC's handling of Madison Guaranty. This morning, ...The Washington Post... ran a front.page.story on meetings between White House and Treasury officials.]

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                 DUMPFILE - (C) Copyright 1992 by Andrew M. Fried

FILE - "A:WHITDOCS.MEM"

.WPC)................2.E.........B..........P................".......Courier 10c
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CG Times (Scalable).HP LaserJet III (Additional).........HPLAIIAD.PRS...x.....
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.....Uv.......................................................................
........................................d.................Y.......Y..........
..........................................................C......C......C....
..C...........................................................................
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xxxxxxxxxxxxx......?.x.x.x.,.......^..x...6.X......@...8..;.X.@...............
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DUM FOR ED KNIGHT..........Y.H...-.....FROM:....'.'......X........Pat O'Donnel
1.(#............Y....-.....SUBJECT:....'.'......X........Whitewater & Madiso
n.related documents.(#.....Attached to this memo are copies of all documents I
 have found in my paper and computer.files mentioning or alluding to Madison G
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uaranty or Whitewater.  Following is a list of those.documents, including the
names of the computer files for those that are on my office.computer:.........
.Y.y...-.....o..X.....x..Treasury department weekly report dated March 3, 1994
 (with cover note of same.date from Josh Steiner to Christine Varney) (weekly.
317).(#............Y.4...-.....o..X.....x..General Counsel weekly report date
d March 2, 1994.(#............Y....-.....o..X.....x..Treasury Department wee
kly report dated February 24, 1994 (with cover not....h..c......e....h..c.....
. of.same date from Josh Steiner to Christine Varney) (weekly.224).(#.........
....Y....-.....o..X.....x..Legislative Affairs weekly report dated February 2
3, 1994.(#............Y....-.....o..X.....x..Treasury Department weekly report
.....Y.e...-.....o..X.....x..Memo from Pat O'Donnell to Josh Steiner dated Feb
ruary 16, 1994 regarding press.mentions of Roger Altman and the issue of recus
ing himself from some RTC issues,.including Whitewater/Madison Guaranty (altre
cus.mem).(#............Y....-.....o..X.....x..Treasury department weekly rep
ort dated February 4, 1994 (with cover note from.Josh Steiner to Christine Var
ney dated February 3, 1994) (weekly.203).(#............Y.. ..-.....o..X.....x
..Legislative Affairs weekly report dated February 3, 1994.(#............Y.."
..-.....o..X..:..x..OTS weekly report dated February 1, 1994.(#............Y.
h$..-.....o..X.....x..Treasury Department weekly report dated January 27, 1994
 (with cover note of same.date from Josh Steiner to Christine Varney) (weekly.
127).(#............Y.#'..-.....o..X.....x..OTS weekly report dated January 25
, 1994.(#............Y..(..-.....o..X.....x..Memo from Pat O'Donnell to Josh
Steiner dated January 19, 1994 on questions and.."....(..........0*0*0*.....'.
..."....answers for the Secretary in preparation for his Larry King Live appea
rance from.Asia (q&asking.mem).(#............Y....-.....o..X.....x..OTS week
ly report dated December 21, 1993.(#............Y....-.....o..X.....x..Treas
ury Department weekly report dated November 18, 1993 (with cover notes from.Jo
sh Steiner to Christine Varney dated November 16, 1993 and from Josh Steiner t
o.Secretary Bentsen dated November 16, 1993....h..c......)....h..c.......(#...
..........Y.1...-.....o..X.....x..Legislative Affairs weekly report dated Nove
mber 17, 1994.(#.....All the copies attached are photocopies of hard copies in
 my files, with the exception of my.February 16 memo to Josh Steiner ....h..c.
...on ........h..c......regarding ....h..c......press mentions of the issue of
 Roger Altman.recusing himself from some RTC issues.  I could not find a hard
copy in my files, but it was.on my computer so I reprinted it...

Program finished...
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